United Nations A/67/360

General Assembly

Distr.: General
10 September 2012

Original: English

**Sixty-seventh session**
Agenda items 130 and 146 of the provisional agenda*

**Programme budget for the biennium 2012-2013**

**Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations**

# Fourth progress report on the enterprise resource planning project

## Report of the Secretary-General

*Summary*

The present report is submitted pursuant to General Assembly resolution 64/243, in which the Assembly requested the Secretary-General to provide annual updates on the progress of the enterprise resource planning project, Umoja. The report also addresses the requests made and concerns expressed by the Assembly in its resolution 66/246.

Since the third progress report on the project (A/66/681), Umoja has made progress across a range of activities, including reinforcing the transformational objective of the project, strengthening governance and accountability for the success of the project through the Steering Committee's designation of the Under-Secretary-General for Management as the Umoja project owner, finalizing the appointment of the Umoja Project Director (at the level of Assistant Secretary-General), strengthening the staffing, implementing more rigorous project planning, revising the team organization and refining the key roles, enhancing risk management, intensifying collaboration with the International Public Sector Accounting Standards (IPSAS) and change implementation teams, completing the baseline configuration of the system, performing independent reviews to verify the correctness and completeness of the three-year design phase, onboarding the systems integrator for the build phase for Umoja Foundation, staggering the delivery of functionality in a still aggressive but achievable sequence, setting up a plan to close a significant percentage of the design

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elements still open at the time of onboarding the build phase systems integrator in a way that will minimize the impact to the overall plan, and redefining the deployment strategy to compensate for the delays in getting the different Secretariat entities ready.

The deployment strategy has been updated to take into consideration the fact that each Secretariat entity has a different starting point ("as-is" model) in terms of existing process flows, legacy systems and governance structures. Therefore, an individual migration path from each entity's starting point must be designed in such a way as to support the adoption of a new, common business model (the "to-be" model) to be used across the Secretariat globally.

The implementation schedule has been revised to reflect the additional time needed to close the open design issues, incorporate scheduled contingency to absorb complications that may arise and accommodate the different levels of preparedness across the Secretariat. By 31 December 2015, all the functionality included in Umoja Foundation and Umoja Extension 1 (human resources and travel) will be fully implemented. Also, the design blueprint and baseline configuration of Umoja Extension 2 (the remaining processes) will be complete and ready for build. However, it is not feasible to test, build and deploy all new functionalities at one time, since the Secretariat would not be in a position to absorb such a significant change at once. Therefore, Umoja Extension 2 would be implemented in two successive, annual releases, after thorough consultation and prioritization. The prioritization and design validation of the first annual release (Umoja Release 2017) would take place in the second half of 2015, with go-live in early January 2017. Umoja Release 2018 would follow a year later.

Taking into consideration the updated implementation schedule, it is now expected that additional funds would be required to complete the deployment and stabilization of the Umoja Foundation and Umoja Extension 1, as well as the design blueprint of Umoja Extension 2. The estimated project expenditure through 31 December 2015 is expected to increase to $348.1 million from the previously projected $315.8 million. In addition, and on a very preliminary basis, it is estimated, based on historic expenditure rates, that a further estimate of approximately $30 million contracted services would be required for the build, test and deployment of the Umoja Extension 2 processes in two annual releases. Subject to a decision by the General Assembly at its sixty-seventh session, details will be presented in the fifth progress report on Umoja.

Upon the completion of Foundation and Umoja Extension 1 implementation activities, the ramp-down of remaining Umoja project team resources will begin. From 1 January 2016, the support and maintenance of the Umoja solution would become part of the day-to-day operations of the United Nations. To ensure a smooth transition, the system support capacity already established within the Umoja project may form the core of a new and compact "Umoja centre of excellence". The centre would be responsible for all future releases (including those releases rolled out in 2017 and 2018 that include the Umoja Extension 2 functionality); managing, supporting and maintaining the enterprise resource planning software; and implementing ongoing business improvements. Subject to the decision of the General Assembly at the sixty-seventh session, a proposal on the strategy, approach, governance, organizational set-up, resource requirements and funding modalities for an Umoja centre of excellence will be presented in the context of the fifth progress report on Umoja.

In an enterprise resource planning implementation, direct costs, such as for system design and development, are borne by the project budget. However, costs for activities that need to be performed throughout the Secretariat prior to go-live (indirect costs) — such as cleansing and enriching data to be migrated to the enterprise resource planning system, system validation, end user training and ensuring that information technology infrastructure will support the system — are, in principle, part of the operational responsibilities of the user departments that perform the functions and own the corresponding data. A working group is in the process of identifying all preparatory activities and indirect costs related to Umoja implementation, with the expectation that all concerned departments shall make every effort to absorb these costs within their existing budgets. A proposal to address the situation will be presented in the context of the fifth progress report on Umoja.

The potential quantitative benefits projections based on the revised Umoja implementation schedule show that once Foundation and Umoja Extension 1 functionalities are rolled out to the five "clusters" (or groups of Secretariat entities) according to the "entity-by-entity" deployment strategy described above, the annual benefit is currently estimated in the range of $80 million to $150 million in 2017. After Umoja Extension 2 is fully deployed and stabilized, a potential $60 million to $80 million of additional quantitative benefit could be realized, reaching a combined benefit of anywhere between $140 million and $220 million in 2019.

It should be emphasized that some qualitative benefits (e.g., operational effectiveness, timeliness, improved accountability, better internal controls, etc.) will begin to be felt immediately from the first deployment. However, the potential benefits should not necessarily be seen as savings and should not be considered in the formulation of future budgets until after full deployment, stabilization of the new system, and the subsequent analysis and confirmation of benefits (see A/64/380, para. 30, and A/65/389, paras. 12 and 13). In the course of developing a comprehensive organizational readiness plan six months before every cluster cutover (a period entitled the "entity realization phase"), each entity preparing to implement the Umoja system will undertake in-depth analysis of its specific business transformation. Through this process, it is also expected that the management of every area contributing to the benefits will refine their benefits estimates and quantify the savings which they are committed to achieving, following the guidance of the process owners.

The present report gives an account of the issues faced by the project since the third progress report, explains the revised implementation approach and outlines the decisions that are recommended to be taken by the General Assembly. Primarily, the General Assembly is requested to note the revised requirements for 2012; to approve the proposed requirements for 2013 and to approve the aforementioned revised implementation strategy. The Secretary-General also recommends that he be invited to revert with a proposal for integrating Umoja support and maintenance into the operational structure of the Secretariat once Umoja Foundation and Umoja Extension 1 are completed, in the context of the fifth annual progress report on the enterprise resource planning project.

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# I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 64/243, in which the Assembly requested the Secretary-General to provide annual updates on the progress of the enterprise resource planning project, Umoja. The report also addresses the requests made and concerns expressed by the Assembly in its resolution 66/246.

2. Umoja is a Secretariat-wide organizational transformation initiative that will enable high-quality and cost-effective service delivery anywhere in the world in support of the evolving mandates of the United Nations Secretariat. Over the course of its phased implementation (see A/66/381, sect. IV), it will progressively renew, harmonize and streamline the way the Secretariat manages human, financial and material resources; produce a single system that captures accurate and timely core resource data; support the implementation of the International Public Sector Accounting Standards (IPSAS); support management reform by enhancing accountability, transparency, and internal controls for all transactions relating to resources; enable the redirection of resources to high-priority and value-added work; and support results-based management by providing decision makers with the ability to monitor, manage and report on resources used by programmes and operations.

3. The present report provides an update on the governance of Umoja and outlines project progress made since the third progress report. It explains the rationale for adjusting and refining the deployment strategy and schedule, and describes activities currently under way as well as those that must be completed before deployment begins in mid-2013. It also puts forward updated resource requirements and outlines the decisions to be taken by the General Assembly.

# II. Project governance and oversight

4. The Umoja governance structure was initially presented in the report of the Secretary-General on enterprise systems for the United Nations Secretariat worldwide (A/62/510/Rev.1). Since its approval by the General Assembly in the sixty-third session (see resolution 63/262, sect. II, para. 7), the Steering Committee has evolved in its composition, structure and nomenclature, and its successive iterations have been presented to the General Assembly and the Advisory Committee on Administrative and Budgetary Questions in the annual Umoja progress reports (see A/63/487 and Corr.1 and 2, annex VI, A/65/389, annex III, and A/66/381, annex I).

5. In its resolution 66/246, the General Assembly made certain stipulations regarding the Umoja governance structure. The Secretary-General has complied with these in full, and they are reflected in the revised Umoja governance model contained in annex I to the present report. Specifically, the Under-Secretary-General for Management chairs the Umoja Steering Committee, and the Umoja Project Director (now Assistant Secretary-General, Enterprise Resource Planning Project) reports solely and directly to the Under-Secretary-General for Management. The administration of the project budget remains within the Department of Management.

6. The Management Committee is at the top of the Umoja governance chain and actively monitors Umoja's progress, especially with regard to the interdependencies with IPSAS and other change initiatives.

7. The position of Umoja Project Director was vacant for nine months in 2011 and 2012. To resolve that issue, the Deputy Secretary-General, on behalf of the Umoja Steering Committee, appointed an Interim Umoja Project Director, on 27 February 2012, for a period of six months to establish and lead a recovery plan.

8. In April 2012, the Steering Committee took a number of decisions to further strengthen Umoja governance. First, the Committee decided to designate the Chair of the Umoja Steering Committee (the Under-Secretary-General for Management, as specified in paragraph 8 of resolution 66/246) as project owner, with ultimate accountability for the project. The present Under-Secretary-General for Management assumed this role when he took up his duties in May 2012.

9. Secondly, the Steering Committee redefined the concept of the process owners[1] in order to better define accountabilities and accelerate decision-making. Process owners are selected members of the Steering Committee[2] who are the principal change agents for their end-to-end, cross-functional processes, regardless of which United Nations Secretariat entity or functional area performs each transaction. Among the process owner's responsibilities are: (a) resolving key business issues (such as those relating to data cleansing and migration), in conjunction with the Umoja Project Director and within available resources, to achieve the process change goals; and (b) being accountable for the statement of benefits associated with their processes and obtaining concurrence from the management of every entity and functional area expected to realize those benefits.

10. Thirdly, the Steering Committee endorsed revised terms of reference for the Change Advisory Board.[3] The revisions allow for greater flexibility and responsiveness of the Board to address and monitor any proposed changes impacting the scope, schedule, deliverables and costs of the Umoja project, while providing advice and recommending actions to be taken to the Steering Committee.

11. Fourthly, given the centrality of Umoja to the administrative reform agenda, the Steering Committee also decided to invite the Special Adviser and head of the change implementation team.

12. Under the leadership of the Executive Office of the Secretary-General, steps have also been taken to ensure accountability for the project's success, including through the use of the performance management and accountability mechanism. The 2012 Senior Managers' Compacts include three performance measures that specifically support Umoja.

13. Securing continuity for the leadership of the project and in accordance with standard selection procedures, the filling of the position of the Umoja Project Director at the level of Assistant Secretary-General, pursuant to General Assembly resolution 66/263, section III, paragraph 4, was announced in August 2012. The

[1] The "process owners" concept and terms of reference have been redefined, superseding the "Business Owners Advisory Group" presented in document A/66/381, para. 14.

[2] The process owners are the Assistant Secretaries-General for the Office of Human Resources Management (OHRM), the Office of Programme Planning, Budget and Accounts (OPPBA), the Office of Central Support Services (OCSS), and the Department for General Assembly and Conference Management, and the Director of Logistics Support Division, Department of Field Service.

[3] The Board had been introduced in document A/66/381, para. 15.

selected Assistant Secretary-General, Enterprise Resource Planning Project, is on board, thus ensuring a seamless transition from the interim period.

14. In the current reporting period, the Office of Internal Oversight Services and the Board of Auditors[4] presented audit recommendations on Umoja. Many of the actions that Umoja has taken in response to the auditors' advice (including with respect to governance, project management, deployment approach, interdependency with other United Nations reform initiatives, and benefits realization) have been described in relevant parts of the present report. It is too early to assess the effect of many of the measures taken; they will be monitored and adjusted as necessary to ensure that the intended results are achieved.

# III. Status

## A. Overview

15. Since the third progress report, Umoja has made progress across a range of activities. These include: reinforcing the transformational objective of the project, improving the governance; strengthening the staffing; implementing more rigorous project planning; revising the team organization and refining the key roles; enhancing risk management; intensifying collaboration with the IPSAS and change implementation teams; completing the baseline configuration of the system; performing independent reviews to verify the correctness and completeness of the three-year design phase; onboarding the systems integrator for the build phase for the Umoja Foundation; staggering the delivery of functionality in a still aggressive but achievable sequence; setting up a plan to close a significant percentage of the design elements still open at the time of onboarding the build phase systems integration partner in such a way as to minimize the impact to the overall plan; and redefining the deployment strategy to compensate for the delays in getting the different Secretariat entities ready. Many of those activities were driven by the findings of an internal assessment of project status completed in March 2012.

16. During the reporting period, Umoja continued to gather lessons learned from other United Nations system organizations that have implemented or are in the process of implementing an enterprise resource planning system. It has done so through a number of channels, including a system-wide study, a peer review, formal and informal collaboration, and the employment of staff (including the recently appointed Assistant Secretary-General) who were involved in other United Nations system enterprise resource planning implementations.

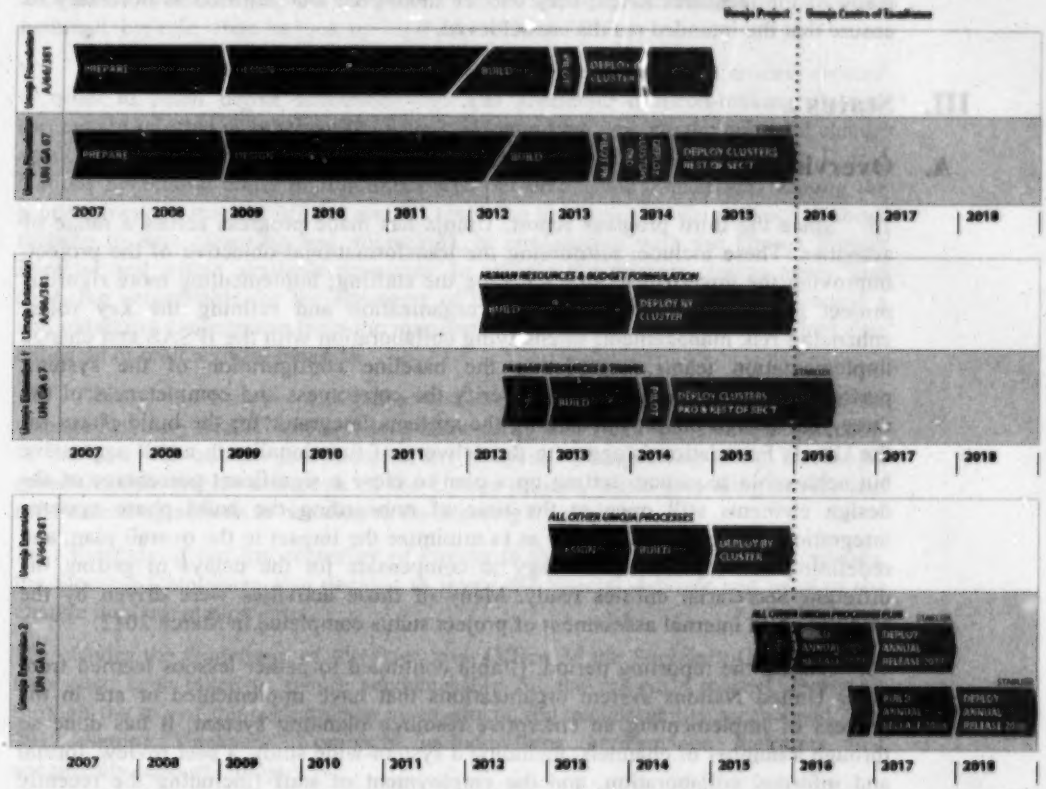
17. It will be recalled that the third progress report outlined a revised implementation approach (see A/66/381, sect. IV). It strengthened the original Umoja vision of driving administrative reform and organizational transformation as mapped out in the 321[5] identified "to-be" business processes, but it was to be rolled out in functional subsets rather than released in a single, comprehensive solution. The

[4] The first annual progress report of the Board of Auditors on the implementation of Umoja (A/67/164) is being presented to the General Assembly at the main part of the sixty-seventh session. See annex V to the present report for the Board of Auditors' recommendations and the Administration's corresponding comments.

[5] In the third progress report, 317 to-be processes were identified; there are currently 321. All changes are managed through a change control procedure.

main reason for this staggered approach was to follow a logical sequence of introducing functionality, new processes and an improved service delivery model at a pace suitable for the Secretariat to absorb such a significant amount of change. The first release, named "Umoja Foundation", was to be followed by two "Umoja Extensions". The following paragraphs highlight adjustments that have since been made to the implementation plan.

Figure I
**Umoja implementation schedule comparison**




*Abbreviations*: UNGA, United Nations General Assembly.

18. The plan to implement Umoja Foundation is similar to that presented in the third progress report. The Foundation is composed of 122 processes related to finance, assets, procurement, property, equipment and inventory management that are required to support the automation for the adoption of IPSAS.

19. The Foundation pilot sites have been identified as the United Nations Interim Force in Lebanon (UNIFIL) and the Office of the United Nations Special Coordinator for Lebanon (UNSCOL), where the system is due to go live in the summer of 2013. As depicted in annex III, the Umoja Foundation functionality will subsequently be deployed by clusters across the Secretariat: starting with the other peacekeeping missions, then special political missions, and finally the rest of the

Secretariat, concluding with cluster 4 at the end of 2015. Each cluster will go through a stabilization period after go-live.

20. The implementation schedule for Foundation differs from the version presented in A/66/381 (see figure I above) because additional time was needed to close the open design issues, scheduled contingency has been added to the build phase to absorb contingencies that may arise, and the deployment period now takes into consideration different levels of preparedness across the Secretariat (see sects. III.D and III.I below).

21. The Umoja Extension is now envisioned to be delivered in successive functional subsets. The first, Umoja Extension 1, had been planned to be human resources and budget formulation. However, the implementation of budget formulation has been deferred to provide additional time to ensure that the related processes will address the United Nations unique regular budget and peacekeeping budgetary requirements through a harmonized approach. Moreover, the enterprise software provider recently released a new budget formulation module, requiring further evaluation against the Secretariat's needs. In the meantime, travel functionality has been moved from Foundation to Umoja Extension 1, owing to its close association with human resources functionality; these two functions will be built and deployed simultaneously. Therefore, Umoja Extension 1 is now composed of 66 processes (59 for human resources and 7 for travel), covering organizational and position management, personnel administration, entitlements, benefits, time management, payroll, travel initiation, travel expenses and online booking. A self-service portal will enable staff members and managers to access and update personal information and submit requests, claims, and settlement forms.

22. With respect to the Umoja Extension 1 implementation schedule, the following obtains:

(a) A period of design validation has been introduced before the Umoja Extension 1 build to ensure that the additional functionality will integrate correctly with the production system;

(b) The build of Umoja Extension 1 will commence in January 2013, as Foundation build took priority;

(c) A pilot with a programmed go-live date of 1 February 2014 has been introduced;

(d) Deployment to clusters 3 through 5 (see annex III) will proceed from 1 July 2014;

(e) Each cluster will require a stabilization period, with the final cluster expected to cut over by December 2015 and be fully stabilized by the end of June 2016.

23. Umoja Extension 2 includes 133 processes with functionality related to budget formulation, force planning, programme management, supply chain planning, warehouse management, conference and event management, full grants management and commercial activities. They were designed in 2010 with the rest of the processes in accordance with the best practice, in order to have a complete picture of the end-design before building the new solution. Recalling the limitations around the absorption of change in the Secretariat, referenced in paragraph 17 above, it is now planned that Umoja Extension 2 would be implemented in two successive,

annual releases. The prioritization and design validation of the first annual release (Umoja Release 2017) would take place in the second half of 2015, with go-live in early January 2017. Umoja Release 2018 would follow a year later.

24. Taking into consideration the updated Umoja implementation schedule, it is now expected that additional funds would be required through 31 December 2015, after which time the ramp-down of the remaining Umoja project team resources will be finalized. The support and maintenance of the Umoja solution (including releases rolled out in 2017 and 2018 that include the Umoja Extension 2 functionality) would become part of the day-to-day operations of the United Nations (see sects. III.E and III.F below). The estimated project expenditure to complete the deployment and stabilization of the Umoja Foundation and Umoja Extension 1, as well as the design blueprint and baseline configuration of Umoja Extension 2, is projected to increase to $348.1 million from the previously projected $315.8 million. Based on historic expenditure rates, a very preliminary estimate of approximately $30 million of contracted services would be required for the build, test and deployment of the Umoja Extension 2 processes in two annual releases.

25. The following sections provide more detail on the status of the implementation of Foundation, Umoja Extensions 1 and 2 and introduce support arrangements to maintain the Umoja solution. Updates on benefits, risks, organizational readiness, existing information technology systems, and staffing are also presented.

## B. Umoja Foundation build and test phase

26. Following a comprehensive competitive procurement process, the systems integrator for the build phase came onboard in April 2012. At Umoja's request, the systems integrator immediately undertook a thorough assessment of the work of the past three years against established enterprise resource planning implementation methodologies to determine if the Umoja design phase deliverables were complete. In parallel, a team of consultants from the selected enterprise resource planning software company performed another assessment of the design deliverables.

27. During the validation process, it was determined that a significant number of issues required closure in order to complete all design activities. A plan named "Get-to-Green" was established to close the design of the incomplete components. A full picture of critical activities matched to priorities was established, followed by the launch of the Get-to-Green effort at the beginning of June 2012. The plan prioritized design tasks, associated effort and resources in order to allow the systems integrator to begin building in July 2012.

28. At the conclusion of the Get-to-Green activities (a) a fully configured development environment will be ready to complete the system build in accordance with industry standard practices; (b) there will be a well-coordinated transition from the systems integrator for design to the systems integrator for build; and (c) the Umoja team will shift into an organizational structure designed to best support the build and deploy phases (see annex II). Within the approved staffing plan, personnel will be moved from their initial work streams into seven new teams: Project Management Office; solution architecture; technology solutions; delivery management; organizational change management; Foundation realization; and Extension realization.

29. The Foundation build phase is progressing while the Get-to-Green plan is completed in parallel, thus minimizing costly delays. The build phase activities fall into three main areas: (a) review and acceptance of the design specifications for forms, reports, interfaces, conversions, enhancements and workflows, known as "FRICEW" elements; (b) development of the corresponding technical designs, and (c) development and programming of the FRICEW elements. In parallel with build, testing activities, including test of the functionality, integration of the solution and user verification, will occur. During testing, there will also be mock data conversions[6] that will be used to confirm the readiness for data migration processes and tools.

30. The Foundation build and test phase is planned to conclude 30 June 2013, after which Umoja Foundation will go live at the pilot sites (see sect. III.D below).

## C. Umoja Extension 1 build and test phase

31. A comprehensive competitive procurement process for a vendor to assist in the build and deployment of Umoja Extension 1 is under way. An expression of interest for Umoja Extension 1 build was issued in March 2012; the request for proposal was issued in July 2012; and the process is on schedule for the systems integrator to begin in January 2013. The Umoja Extension 1 team is finalizing all design specifications for the development of United Nations-specific functionality (FRICEW elements) and baseline configuration of the system in order to be ready for the build phase immediately upon arrival of the systems integrator for Umoja Extension 1 build. The build phase activities are similar to those described for Umoja Foundation, with technical development and testing activities scheduled to be complete by the end of January 2014.

32. A unique aspect of Umoja Extension 1 that necessitates more time for human resources and travel implementation is the further development of the United Nations common system-specific version of the selected software. The enterprise resource planning vendor built the base for this solution for other United Nations system organizations that had previously implemented the software, and has subsequently updated it with new functionality. After working with the Umoja team, the vendor agreed to further update the standard-delivered United Nations version of the software to incorporate some missing functionality, specifically for more automated entitlements eligibility and calculations. As in other enhancements to the standard product, these enhancements to the core software product will be available to all United Nations system organizations that use the software. The new version of the software is scheduled to be delivered to the Secretariat in the first quarter of 2013, when it will be incorporated into the build and test activities taking place at that time. By aligning the start of Umoja Extension 1 build with the availability of the new enterprise resource planning software release, the Secretariat will avoid some costly customization and development. This external dependency from the software vendor is critical for the success of Umoja Extension 1.

[6] A mock data conversion is a "dry-run" of conversion steps that are executed using real, cleansed data. It is part of the preparation for cutover from the legacy systems to Umoja at go-live. The mock conversions support the product integration test cycles, and, later, during the user validation test cycle, give the business community the opportunity to vet the system while using actual United Nations data.

## D. Umoja Foundation and Umoja Extension 1 deployment phases

33. Each Secretariat entity[7] has a different starting point ("as-is" model) in terms of existing process flows, legacy systems and governance structures. Therefore, an individual migration path from each entity's starting point must be designed in such a way as to support the adoption of a new, common Secretariat business model (the "to-be" model) to be used globally.

34. The preparation for deployment is running in parallel with Get-to-Green and build. Activities include developing a deployment governance operating model and site readiness plans, creating stakeholder profiles, conducting change impact assessments, converting data and building internal capacity to support readiness activities at the deployment sites. The following paragraphs provide an overview of the deployment plan by cluster (see also annex III).

### Cluster 1

35. Umoja Foundation is to be first deployed in pilot locations — UNIFIL and UNSCOL — before roll-out to the rest of the peacekeeping missions. Deploying to pilot locations will allow the system to be tested operationally in a contained environment constrained to UNIFIL and UNSCOL before going live in the rest of the peacekeeping missions. The 90-day pilot period allows Umoja to fine tune and stabilize the system in preparation for full peacekeeping mission deployment. The structure and variety of activities within UNIFIL and UNSCOL will allow all process variants for peacekeeping missions to be implemented and tested.

36. Activities during a six-month "entity realization phase" preceding pilot cutover include considering local migration requirements in processes and system; testing the configuration in the quality assurance system; conducting system performance and user-verification testing; and carrying out end user training. Cutover activities ensure that preparatory steps are complete and staff members are ready for go-live. Associated tasks include setting up and initializing the production environment, uploading master data and transactional data.

37. Once UNIFIL and UNSCOL are stabilized, a second cutover activity is required to deploy Umoja Foundation to the rest of the missions. Concurrently, Umoja will be deployed to parts of the Secretariat that provide specific support services for field missions, for example, the Office of Programme Planning, Budget and Accounts, from which allotments for peacekeeping missions originate, the Office of Central Support Services, where approvals of purchase orders for the usage of systems contracts are obtained, and the Department of Field Support global and regional service centres.

### Cluster 2

38. The special political missions comprise Cluster 2. Deployment to this cluster progresses through the entity realization phase, cutover and post-go-live support.

[7] In this context, an "entity" refers to any United Nations Secretariat unit (or group of units) that has a unique mission and homogenous set of business practices or working methods.

**Cluster 3**

39. In Cluster 3, Umoja Foundation and Umoja Extension 1 are to be deployed together. Human resources and travel functionalities go live in a pilot in the first quarter of 2014. Umoja Foundation, human resources and travel functionality are thereafter deployed to United Nations Headquarters, the United Nations Office at Nairobi and the Economic Commission for Africa. Payroll for international staff is deployed to peacekeeping and special political missions. Before the pilot cutover, regression testing validates the introduction of new Umoja Extension 1 functionality into the Foundation production environment. Deployment proceeds as above through the entity realization phase, cutover and post-go-live support.

**Cluster 4**

40. The two remaining offices away from Headquarters (United Nations Office at Geneva and United Nations Office at Vienna), the four remaining regional commissions (Economic and Social Commission for Asia and the Pacific, Economic and Social Commission for Western Asia, Economic Commission for Europe and Economic Commission for Latin America) and the tribunals are the targets of Cluster 4 deployment of Foundation and Umoja Extension 1 functionality. The approach is the same as for Cluster 3, except that there is no regression testing or pilot.

**Cluster 5**

41. The final cluster brings human resources functionality to all peacekeeping and special political missions for local staff.

## E. Support arrangements

42. Following the first go-live, it will be necessary to manage, maintain and enhance the new system in a production environment. To meet that objective, system support capacity will be provided through a combination of United Nations staff and contracted systems integrators. A working group will be established with Umoja, the Information and Communications Technology Division and the Office of Information and Communications Technology to determine the post-production support model for Umoja due to be in place by July 2013. System support arrangements, including third-party hosting services, will be funded through the end of 2015 within existing resources.

43. From 1 January 2016, with the completion of Umoja Foundation and Umoja Extension 1, the support and maintenance of the Umoja solution would become part of the day-to-day operations of the United Nations. To ensure a smooth transition, the system support capacity already established within the Umoja project may form the core of a new and compact "Umoja centre of excellence". The centre would be responsible for all future releases (including those releases rolled out in 2017 and 2018 that include the Umoja Extension 2 functionality (see sect. III.F below)); managing, supporting and maintaining the enterprise resource planning software; and implementing ongoing business improvements.

44. Subject to the decision of the General Assembly at the sixty-seventh session, a proposal on the strategy, approach, governance, organizational set-up, resource

requirements and funding modalities for an Umoja centre of excellence will be presented in the context of the fifth progress report on Umoja.

## F. Successive Umoja annual releases, including Umoja Extension 2

45. As briefly explained in paragraph 23 above, new functionality will be delivered in annual releases. The Umoja Steering Committee would prioritize the functionality to be included in the annual Umoja Releases 2017 and 2018. These two releases would include the totality of the Umoja Extension 2 processes, and, in addition, selected solutions to the emerging needs identified by the functional areas, improvements to processes already deployed as a part of Umoja Foundation and Umoja Extension 1, and new functionalities made available by the enterprise resource planning software vendor. Prioritization criteria would be mainly driven by a business case of the identified functionality.

46. It is foreseen that the Umoja centre of excellence would drive the build, test and deployment of the annual releases from January 2016 (see sect. III.E above).

## G. Benefits realization

### 1. Benefits of Umoja implementation

47. A transformational change initiative such as Umoja has the potential to generate significant qualitative and quantitative benefits.[8] Qualitative benefits include increased operational effectiveness and timeliness; a common single data source for reporting; improved accountability; the adoption of international leading practices and standards; enhanced transparency; higher client satisfaction; and better internal control and audit ability features across the broad range of financial, procurement and staffing processes. The original potential quantitative benefits for the full Umoja scope had been projected at $130 million to $220 million per annum, assuming unconstrained change management conditions. The projections were based on benefits to be potentially realized as the result of refined business processes, improved quality and availability of information, reduced manual effort, reduced reworking as a result of manual errors, and streamlined process flows. It should be recalled that a number of conditions and business re-engineering dependencies are prerequisite for the realization of the benefits. It must be recalled that the benefits case is based on assumptions to be validated over time and on incomplete baseline data, owing to the limitations of existing information systems and the significant difference in the "as-is" operating models across Secretariat entities.

48. The Umoja team forecast the realization of the potential benefits taking into account the revised deployment plan (sect. III.D above) with staggered roll-out on an entity-by-entity basis and functionality phased by release (Umoja Foundation, Umoja Extensions 1 and 2), shown in figure II below. The potential benefits projections based on the revised Umoja implementation schedule show that once Foundation and Umoja Extension 1 functionalities are deployed according to the entity-by-entity plan, the benefit is currently estimated in the range of $80 million to $150 million in 2017. After the Umoja Extension 2 processes are deployed and

[8] Benefits were discussed in the following reports: A/64/380, sect. II; A/65/389, sect. II; and A/66/381, section IV.D.

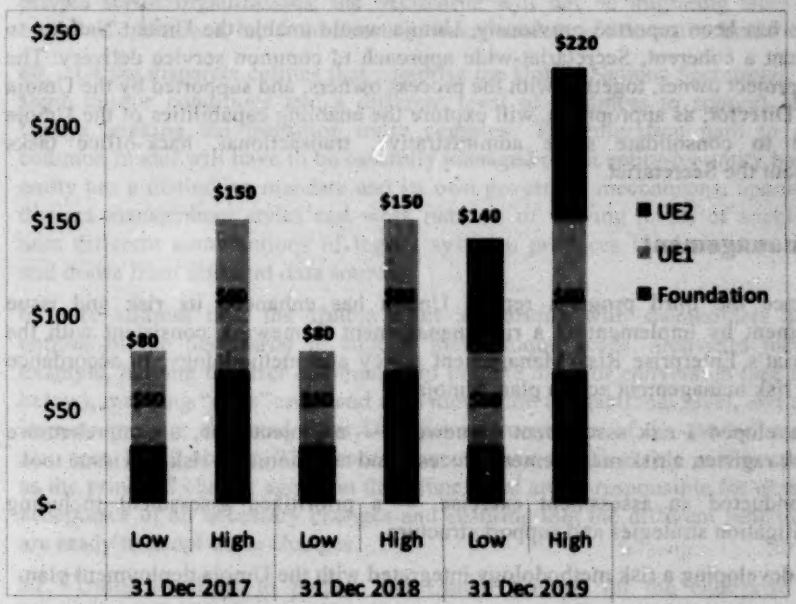
stabilized in the 2017 and 2018 annual releases, a potential $60 million to $80 million of additional quantitative benefit could be realized, reaching a combined benefit of anywhere between $140 million and $220 million in 2019.

49. It should be emphasized that some qualitative benefits (e.g., operational effectiveness, timeliness, improved accountability, better internal controls, etc.) will begin to be felt immediately from the first deployment. However, the potential benefits should not necessarily be seen as savings and should not be considered in the formulation of future budgets until after full deployment, stabilization of the new system, and the subsequent analysis and confirmation of benefits (see A/64/380, para. 30, and A/65/389, paras. 12 and 13).

Figure II

**2012 benefits refresh: potential benefit realization by release, taking into consideration entity-by-entity deployment**

(Millions of United States dollars)




*Abbreviations*: UE, Umoja Extension.

50. The entity-by-entity deployment approach described in section III.D above, taken in conjunction with the redefinition of the process owner role described in section II above, will provide for the update and delivery of these indicative, unconstrained benefits.

51. In the course of developing a comprehensive organizational readiness plan during the entity realization phase, which starts six months before cutover, each entity preparing to implement the Umoja system will undertake in-depth analysis of its specific business transformation. Through this process, it is also expected that the management of every area contributing to the benefits will refine their benefits estimates and quantify the savings to which they are committed to achieving, following the guidance of the process owners.

52. Each process owner will aggregate these commitments (along with those directly under their budgetary control) in a functional benefits realization plan. They will obtain concurrence from the management of every concerned entity and, subsequently, monitor the achievement of efficiency gains and cost reductions as measured by key process indicators. The Umoja project owner will manage the overall process to establish, commit and realize the benefits of the project.

53. The benefits realization plans are envisaged to be in place as the entity realization phase for every cluster roll-out is completed, and the details will be reported to the General Assembly in subsequent progress reports. To realize the desired behavioural changes required to achieve the benefits, the Umoja team (through 2015) and the Umoja centre of excellence (from 2016 onwards) will work closely with process owners to ensure that appropriate communications, training and support are provided to staff.

### 2. Benefits of implementing a United Nations service delivery model

54. As has been reported previously, Umoja would enable the United Nations to implement a coherent, Secretariat-wide approach to common service delivery. The Umoja project owner, together with the process owners, and supported by the Umoja Project Director, as appropriate, will explore the enabling capabilities of the Umoja solution to consolidate some administrative transactional, back-office tasks throughout the Secretariat.

## H. Risk management

55. Since the third progress report, Umoja has enhanced its risk and issue management by implementing a risk management framework consistent with the Secretariat's Enterprise Risk Management policy and methodology. In accordance with its risk management action plan, Umoja:

- Developed a risk assessment framework — a project plan, a comprehensive risk register, a risk management process, and an automated risk and issue tool
- Conducted an assessment exercise — a prioritized assessment including mitigation strategies and support structure
- Is developing a risk methodology integrated with the Umoja deployment plan.

56. The most critical risks identified can be grouped into three categories:

(a) A lack of a comprehensive and realistic planning: including critical path not properly identified, unclear expectations, no proper testing plan in place, an unreadiness to move to the build phase, insufficient enterprise resource planning skills in the Umoja team and weak change controls;

(b) A lack of coordination with other United Nations Secretariat change initiatives, including the IPSAS transition plan, or the change management plan initiatives;

(c) An unreadiness on the part of the organization to adopt the new solution: including insufficient management sponsorship, an unrealistic roll-out strategy and a poor understanding of the "to-be" model by the business.

57. Several risk mitigating actions were already implemented or are in progress. The most important ones are described in the different sections of the present report.

58. The Umoja Project Management Office reviews, monitors and reports on project risks and issues and escalates them, as required. Umoja reports on key project risks (those which are the highest priority for focused mitigation) at each Steering Committee meeting.

## I. Organizational readiness

59. At the current stage in the project life cycle, it has been determined that the single biggest factor affecting the ability of the United Nations to implement Umoja according to the schedule and budget set out in the present report is the Secretariat's organizational readiness. As opposed to similar enterprise resource planning projects in the United Nations funds and programmes, or even in other Government or private sector organizations, the Secretariat will not be migrating from a single model of operations, but from almost as many models as Secretariat entities exist.

60. Of the disparate entities that comprise the United Nations Secretariat, each has some unique conditions and a different level of readiness to support and adopt Umoja, making the transition more complex. The migration path to a single, common model will have to be carefully managed on an entity-by-entity basis. Each entity has a distinctive mandate and its own governing mechanisms, operates under distinct management styles and work patterns of varying levels of sophistication, uses different combinations of legacy systems, produces local variants of reports and draws from different data sources.

61. To address this, the Umoja team is working with stakeholders across all entities of the Secretariat to address their unique needs. Activities include, for example, helping the user community to prepare data for conversion (see sect. III.J below), mapping "as-is" roles and activities at the transactional level, and analysing impacts that are expected from Umoja implementation of the "to-be" model (see also sect. III.I.2 above). The process owners have a critical role in this undertaking as the principal change agents in their functional areas, responsible for championing acceptance of all necessary changes and ensuring that the different functional areas are ready to adopt those changes.

62. Umoja's efforts to prepare the United Nations for the enterprise resource planning implementation are being carried out in the context of broader administrative reform. The Secretariat is working to harmonize and resolve interdependencies among the major reform initiatives (including Umoja, IPSAS, the Department of Field Support global field support strategy, and shared administrative services); rationalize the sequence of change activities; clarify roles, responsibilities and accountability; identify and mitigate the collective impact on the Secretariat's human and financial resources and the potential conflicts among deployment plans; and identify opportunities for closer collaboration and the leveraging of synergies among the various initiatives. To ensure close coordination, Umoja is actively engaging with the change coordination group and the IPSAS and global field support strategy teams, on other administrative reform efforts.

63. Umoja's dedicated organizational change management team contributes to the Secretariat-wide change management effort and addresses organizational readiness

challenges as they relate specifically to Umoja implementation. It focuses on ensuring that the organization is ready and able to accept and implement change and facilitates the movement from its current "as-is" state to its desired future "to-be" state by supporting all levels of the organization in transitioning to new ways of working. The team is structured in a way that is typical of this function in a large business transformation project. There are three discrete but interrelated areas: stakeholder engagement and communications, organizational alignment, and education and learning.

### 1. Engagement and communications

64. The engagement and communications work-track encompasses all activities related to outreach and mobilization of United Nations stakeholders to support Umoja. It is responsible for ensuring that staff members and Member States receive the necessary information about Umoja at the most appropriate time.

65. Umoja is executing a stakeholder engagement and communications plan that uses multiple delivery vehicles. Umoja maintains and develops a website as well as an Intranet, Umoja NET, where registered users can find general project information and detailed business process information. The team produces written materials such as iSeek articles, newsletters and presentations, as well as other materials for briefing senior managers and subsidiary organs of the General Assembly. Outreach to stakeholders will intensify in the months leading up to and through deployment.

66. Umoja has increased its communications to Member States; in keeping with the provisions of paragraph 92 of resolution 66/246, briefings have been held at each session of the Fifth Committee, in addition to formal consultations and informal meetings to ensure that Member States are well informed about activities, risks and progress, and that Member States feedback is duly considered in the Umoja action plans.

67. Umoja is also developing a change network strategy to enable selected staff at missions to cascade messages while giving them local context and to multiply the number of people reached. The engagement strategy also includes "change measurement" activities to track the growth in staff awareness and understanding of how and when Umoja will affect the Secretariat and staff roles in it.

### 2. Organizational alignment

68. The Umoja team launched organizational alignment activities in the second quarter of 2012. These focus on two priority areas: change impact analysis and role-mapping.

69. Change impact analysis is the assessment of any changes to current processes, policies, roles, responsibilities, work volume, complexity, skills and knowledge of the United Nations workforce that may be required to implement the Umoja solution. The goal of change impact analysis is to identify and document the change between the "as-is" and the "to-be" way of working per functional process. The change impact analysis will inform:

- Job change impacts
- Policy review/updated requirements
- End user learning needs
- Targeted stakeholder communications.

70. This assessment of the transition from current to future ways of working is being conducted with the participation of both business stakeholders and Umoja experts, and will be further refined during the entity realization phases. Process owners, in cooperation with the Office of Human Resources Management, will play key roles in assessing the level of impact upon position management in the Secretariat, and provide guidance in that regard.

71. In addition to changes in existing roles, in some instances entirely new roles will be created through Umoja. These may require establishment of new job functions and positions. This presents an opportunity for the Secretariat to redeploy staff whose functions have been reduced or eliminated, with the implementation of new business processes. In future reports, the Secretary-General will provide information and initiate consultations on new job functions (as appropriate), how existing roles may change and/or how staff posts may be redeployed as a direct result of Umoja implementation.

72. Role-mapping is the process through which system transactions are linked to activities, roles and ultimately to end users/positions. Role-mapping provides the basis for defining individual training needs and security access, and ensuring end user readiness. Role-mapping aims to ensure that the right people have the right system access at the time of deployment, and can be trained accordingly. It will also help to link any potential role change impacts to staff members performing those roles. Role-mapping is important for:

- Deployment planning
- Aligning role change impacts to United Nations employees
- System security access
- Aligning learning curriculum to end users
- Validating audiences for targeted communications.

73. In partnership with the Office of Human Resources Management and the Office of Programme Planning, Budget and Accounts, Umoja is in the process of undertaking intensive analysis of the roles, related activities and transactions, and preparing to map them to United Nations staff members. Process owners will play a central role in ensuring acceptance of the changes to roles and responsibilities.

### 3. Education and learning

74. Umoja continued to refine its training approach in line with the project's overall progress and deployment strategy. The Umoja training strategy employs a train-the-trainer model as the most feasible way to train the requisite number of staff in dispersed locations in a short amount of time. Trainers will be recruited from within the Secretariat and, under the functional guidance of the process experts, will develop materials as well as train and support to a much larger group of trainers. Local trainers — in most cases a role to be assigned to the local process experts — will deliver instruction to their local transactional end users. They will be nominated by each location and trained over a period of three to four weeks. The local trainers will then deliver training to end users under the guidance of process experts in the Umoja team and according to the deployment plan. The scheduling and coordination of end user classroom training and access to all online training materials will be conducted through the Inspira learning management system.

75. Other elements of the approach include the delivery of training approximately six weeks prior to go-live to ensure that staff members can use their new knowledge as soon as possible. The training approach relies on "blended learning", or instructor-led classroom training complemented with self-paced computer-based training (including simulations). Training will focus on the critical tasks that staff members need to understand in order to carry out their work.

## J. Existing systems, technical development and infrastructure

76. Approximately 700 systems will be replaced by Umoja, and up to 300 of the remaining systems may require a technical interface with Umoja. Despite the large number of systems, integration will be implemented through a smaller number of common technical interfaces (see para. 82 below).

77. The majority of the technical development effort is related to data conversions, interfaces, enhancements, forms and reports. There has been a concerted effort to eliminate non-statutory and non-essential development items, and a change control process has been introduced to review all new requests and manage scope.

78. The conversion of data is essential to the implementation of Umoja. There are two types of data to be converted: master and transactional. Vendors, contracts, payees and banks are examples of master data; purchase orders and vendor invoices are examples of transactional data. All master data and some transactional data must be loaded (converted) to Umoja prior to go-live. Currently, 80 sets of data have been identified for conversion to Umoja for Foundation and Umoja Extension 1; of these, 55 are master data and 25 are transactional data.

79. It should be noted that some data required for Umoja do not exist in a consistent or usable format in United Nations legacy systems. In these cases, the data are collected either through a purpose-built data collection application or by means of spreadsheets. The collection method depends on the volume of data and the number of sources. Umoja has made every effort to reduce the number of source systems for data conversions in order to minimize the time, cost, complexity and risk of the implementation effort.

80. The legacy systems from which data are converted will be decommissioned by application owners following the full deployment of Umoja, as will all other systems whose functionality is being replaced by Umoja.

81. Despite the breadth of functionality offered by the selected enterprise resource planning product, a number of interfaces to and from other systems will be required to complete the Umoja solution. Interfaces will be either ongoing or temporary. Temporary interfaces to United Nations legacy systems will facilitate processing and reporting over Umoja's phased deployment (both geographic and functional). Ongoing interfaces are required to external or third-party systems, as well as to existing United Nations systems that provide functionality not available in the enterprise resource planning software.

82. According to the Umoja design, no customizations to the core enterprise resource planning code will be introduced. However, some 250 enhancements, forms and workflows will be developed to meet United Nations-specific

requirements that cannot be configured within an off-the-shelf enterprise resource planning system. Examples of these include:

(a) Human resources and travel self-service, such as education grant, rental subsidy and home leave request;

(b) Forms requiring specific formatting such as logos for the United Nations (e.g., purchase orders);

(c) Workflow that routes approvals of transactions from a data-entry clerk to an approving officer, on the basis of United Nations-specific rules.

83. The selected enterprise resource planning software provides a large number of prebuilt reports that satisfy most user needs. The Umoja design calls for the use of these standard reports to support most of the business processes. In some areas, however, these reports do not match the needs of the Secretariat. For example, in programme and project management, the reports provide detailed information on projects, but do not provide the funding and budget information required. Likewise, the standard reports on assets are thorough and useful, but do not provide a single combined view that meets the reporting requirements of United Nations funds and IPSAS. In such cases, the Umoja design calls for extended versions or new reports.

84. To implement the infrastructure required to host the new system, the Umoja team is working closely with the Office of Information and Communications Technology and the Information Communications and Technology Division of the Department of Field Support. The primary data centre will be the United Nations Support Base in Valencia, Spain, and the disaster recovery site will be the United Nations Logistics Base in Brindisi, Italy. The Office and the Division will manage the networks that will provide connectivity from mission sites, offices away from Headquarters and the regional commissions to Umoja. They will retain responsibility for managing and administering the networks and security for Umoja in addition to other systems hosted at the enterprise data centres, as well as guaranteeing the service levels required by Umoja.

## K. Project staffing

85. As shown in the organizational structure presented in the third progress report (A/66/381, annex III), the Umoja team is composed of 90 staff. Their current and projected recruitment status appears in table 1 below.

Table 1
**Umoja status of vacancies (at 31 July 2012)**

| *Status* | *ASG* | *D-1* | *P-5* | *P-4* | *P-3* | *P-2* | *GS (PL)* | *GS (OL)* | *Total* |
|---|---|---|---|---|---|---|---|---|---|
| **Encumbered** | | | | | | | | | |
| Regular | 1 | 7 | 14 | 28 | 9 | – | 1 | 8 | 68 |
| Temporary | – | – | 2 | 1 | – | – | – | 4 | 7 |
| **Subtotal** | **1** | **7** | **16** | **29** | **9** | **–** | **1** | **12** | **75** |
| Selected | – | – | 1 | 2 | – | – | – | – | 3 |
| With central review boards | – | – | – | 1 | – | – | – | – | 1 |
| Under evaluation | – | – | 1 | 1 | – | – | – | – | 2 |
| Advertised | – | – | – | – | – | – | – | – | – |
| To be advertised | – | 1 | 3 | 4 | – | 1 | – | – | 9 |
| **Subtotal, vacant** | **–** | **1** | **5** | **8** | **–** | **1** | **–** | **–** | **15** |
| **Authorized** | **1** | **8** | **21** | **37** | **9** | **1** | **1** | **12** | **90** |

*Abbreviations*: ASG, Assistant Secretary-General; GS, General Service; PL, Principal level; OL, Other level.

86. In addition to the 90 approved posts, Umoja continues to benefit from the temporary assignment of the Management Support Service of the Office of the Under-Secretary-General for Management for the duration of the Umoja project. As at 31 July 2012, all of the six temporarily assigned posts were encumbered. The mandate of the Management Support Service continues to be executed, having provided support, for example, to the Department of Field Support global field support team and the Office of the United Nations High Commissioner for Human Rights in the current reporting period.

87. Timely recruitment has historically been a challenge for Umoja. One of the factors impacting the timely completion of the design phase was the limited number of staff in the team with knowledge in the selected enterprise resource planning software and the associated implementation methodology, as well as the lack of experience in implementing enterprise resource planning projects. This skills deficit has been aggressively addressed in the past months as part of the recovery plan undertaken by the Interim Director (see para. 7 above).

88. The expedited recruitment procedures (see A/66/381, footnote 13) have had the desired results; however, progress in recruitment has been offset by staff turnover to some extent. Rosters are being used, as appropriate. Reimbursable and non-reimbursable loan arrangements are now also being utilized to fill positions, with the various functional areas across the Secretariat demonstrating a greater willingness to provide essential expertise. Non-reimbursable loans represent tangible cooperation extended by the United Nations system to the Secretariat.

89. Similarly, recent experience in requesting the release of subject matter experts on assignment to Umoja has shown the Secretariat to be ready to provide needed knowledge and experience. As at 31 July 2012, Umoja had 18 backfilled and two

non-reimbursable subject matter experts, for a total of 20. Ten additional experts are expected to be onboarded in the next two months.

90. As noted in paragraph 28 above, at the conclusion of the Get-to-Green plan, the Umoja team will shift into an organizational structure consisting of seven teams designed to best support the build and deploy phases. Within the approved staffing plan and with a view to ensuring that the most crucial functions are filled, staff members have been matched with positions that best fit their knowledge and skills. As a risk-mitigation measure, Umoja will move existing staff among the teams, as needed, to augment those teams that require more resources at various stages of implementation.

91. By June 2014, Umoja will be in a position to identify the personnel resources to be reassigned within Umoja to provide the system support capacity through 2015 (see para. 42 above) and those who can be released from the project because their expertise is no longer needed for the coming phases of work. Upon completion of the Foundation and Umoja Extension 1 implementation activities, the ramp-down of the remaining Umoja project team resources will be finalized. As appropriate, the United Nations staff would be relocated in the corresponding areas of the Secretariat, including the support mechanism (the Umoja centre of excellence) that would complete Umoja Extension 2 and also constantly enrich and maintain the enterprise resource planning solution, all in accordance with the applicable rules, regulations and procedures.

92. During the reporting period, progress was also made in the recruitment of specialists. A professional services schedule was signed and executed in July 2012, under which the enterprise resource planning software provider will, upon Umoja's request, perform consulting and professional services, such as technical and solution review, technical integration check, design analysis and product support, test strategy and plan support and data conversion and preparation support.

# IV. Resource requirements

## A. Overview of requirements for the recommended implementation strategy

93. Under the recommended implementation strategy described in section III.D above, the project requirements are estimated to be $348,138,500 for the period to 31 December 2015; and the requirements for 2016 and beyond are estimated, on a very preliminary basis, at approximately $30 million based on historic expenditure rates.

94. In table 2 below, the estimated requirements through 31 December 2015 are broken down by biennium/year and are compared with the current financing profile for the project, which is based on the original proposed budget of $315,792,300 (see A/64/380).

Table 2
**Projected resource requirements and funds availability**
(Thousands of United States dollars)

| *Biennium/year* | *2008-2009 actual* | *2010-2011 actual* | *2012-2013 projected* | *2014 projected* | *2015 projected* | *Total* |
|---|---|---|---|---|---|---|
| Funding (see table 3 below) | 20 000.0 | 162 338.9 | 102 377.4 | 31 076.0 | – | 315 792.3 |
| Expenditure | 17 699.7 | 100 709.1 | 134 889.1 | 51 421.1 | 43 419.5 | 348 138.5 |
| **Net balance/(deficit)** | **2 300.3** | **61 629.8** | **(32 511.7)** | **(20 345.1)** | **(43 419.5)** | |
| Unutilized funds carried forward | – | 2 300.3 | 63 930.1 | 31 418.4 | 11 073.3 | |
| **Closing balance surplus/ (deficit)** | **2 300.3** | **63 930.1** | **31 418.4** | **11 073.3** | **(32 346.2)** | **Percentage 10.2** |

95. The estimated requirements for the period from 2008 to 2015 of $348,138,500 represent an increase of $32,346,200, or 10.2 per cent, to the original budget of $315,792,300. It is noted in table 2 above that the current financing profile is sufficient to continue the project through 2014, but a deficit in the amount of $32,346,200 is projected for 2015.

96. Should the General Assembly approve the recommended implementation strategy proposed in the present report, the Secretary-General will seek the appropriations necessary to finance the continuation of activities in 2015 and beyond.

97. It is recalled that, in its resolution 63/262, the General Assembly endorsed the cost-sharing arrangement for the financing of the enterprise resource planning project proposed in paragraph 79 of document A/62/510/Rev.1.[9] The proposed requirements, under the recommended implementation strategy, are summarized by source of funds, in table 3 below, in accordance with the cost-sharing agreement.

[9] 15 per cent in respect of the regular budget; 62 per cent in respect of the support account for peacekeeping operations; and 23 per cent from the special accounts for programme support.

Table 3
**Approved and projected resources for Umoja by biennium and source of funds**
(Thousands of United States dollars)

| *Source of funds (approved)* | *2008-2009*[a] | *2010-2011*[b] | *2012-2013*[c] | *2014-2015* | *Original requirements* | *Additional requirements 2014-2015* | *Revised requirements* | *Percentage by source* |
|---|---|---|---|---|---|---|---|---|
| Regular budget | 5 110.0 | 11 182.9 | – | 31 076.0[e] | 47 368.9 | 4 851.9 | 52 220.8 | 15.0 |
| Support account for peacekeeping operations | 7 050.0 | 114 065.9 | 74 675.3[d] | – | 195 791.2 | 20 054.7 | 215 845.9 | 62.0 |
| Extrabudgetary | 7 840.0 | 37 090.1 | 27 702.1 | – | 72 632.2 | 7 439.6 | 80 071.8 | 23.0 |
| **Total** | **20 000.0** | **162 338.9** | **102 377.4** | **31 076.0** | **315 792.3** | **32 346.2** | **348 138.5** | **100.0** |

[a] In accordance with resolution 63/262.
[b] In accordance with resolutions 64/243 and 65/290.
[c] In accordance with resolutions 65/290 and 66/265.
[d] Inclusive of $18,668,900 of future appropriations to be requested by the Secretary-General under the support account for peacekeeping operations for the financial period from 1 July 2013 to 30 June 2014.
[e] Comprising appropriations of $12,214,800 requested under the regular budget for the biennium 2012-2013, which were not approved by the General Assembly during its sixty-sixth session, and the commitment authority approved by resolution 66/246 in the amount of $5,591,500 for which no appropriation will be required during the biennium 2012-2013, as well as $13,269,700 unutilized commitment authority in respect of the biennium 2010-2011 (as detailed in para. 85 (c) of the third progress report (A/66/381)). The amount of $31,076,000 will be included in the context of the proposed programme budget for the biennium 2014-2015.

98. Resources of $20,000,000 were approved for the biennium 2008-2009, and a total of $162,338,900 was approved in respect of the biennium 2010-2011.

99. With regard to the biennium 2012-2013, the General Assembly approved $5,591,500 of commitment authority under the regular budget, however, based on the current projection, no appropriation will be sought for the biennium 2012-2013. A total of $27,702,100 has been provided from extrabudgetary sources. As regards the contribution from the support account for peacekeeping operations of $74,675,300 for the current biennium, $18,668,800 was appropriated for the period from January 2012 to June 2012 (resolution 65/290) and $37,337,600 was appropriated for the period from July 2012 to June 2013 (resolution 66/265), resulting in a future appropriation to be requested in the amount of $18,668,900 for the period from July 2013 to December 2013.

100. With regard to 2014-2015, table 3 above shows that an amount of $31,076,000 will be sought in the context of the proposed programme budget for the biennium 2014-2015 as part of the current funding profile. Subject to the approval of the General Assembly, a further $32,346,200 will be sought from the three sources of funds, as illustrated in table 3 above. As a result, the total amount to be sought in the context of the proposed programme budget for the biennium 2014-2015 will be $35,927,900 (comprising $31,076,000 plus $4,851,900), as shown in table 3 above.

101. Full details on the future resource requests by the Secretary-General are set out in section V, table 10 below, and within the recommended actions for the General Assembly in paragraph 127 below.

## B. Implementation during the period from 2008 to 2011

102. Cumulative expenditure to the end of 2011 was $118,408,800, comprising $17,699,700 in respect of the biennium 2008-2009 and $100,709,100 for the biennium 2010-2011. This represents 37.5 per cent of the original budget.

Table 4
**Expenditure for the biennium 2008-2009 and the biennium 2010-2011**
(Thousands of United States dollars)

| | *Biennium 2008-2009* | *Biennium 2010-2011* | | | | *Period 2008-2011* |
|---|---|---|---|---|---|---|
| | *Actual* | *Projected expenditure* | *Actual expenditure* | *Variance under/(over)* | *Percentage* | |
| *Object of expenditure* | *(a)* | *(b)* | *(c)* | *(d)=(b)-(c)* | *(e)=(a)+(c)* | *Total* |
| Posts | – | 16 662.7 | 16 828.5 | (165.8) | (1.0) | 16 828.5 |
| Other staff costs | 5 614.0 | 5 070.4 | 4 442.3 | 628.1 | 12.4 | 10 056.3 |
| Consultants | 72.6 | 1 050.9 | 664.2 | 386.7 | 36.8 | 736.8 |
| Travel of staff | 964.1 | 1 682.3 | 928.8 | 753.5 | 44.8 | 1 892.9 |
| Contractual services | 7 933.3 | 48 107.1 | 46 540.5 | 1 566.6 | 3.3 | 54 473.8 |
| General operating expenses | 2 344.1 | 6 613.5 | 6 695.3 | (81.8) | (1.2) | 9 039.4 |
| Supplies and materials | 606.9 | 137.7 | 176.3 | (38.6) | (28.0) | 783.2 |
| Furniture and equipment | 164.7 | 24 311.2 | 24 433.2 | (122.0) | (0.5) | 24 597.9 |
| **Total** | **17 699.7** | **103 635.8** | **100 709.1** | **2 926.6** | **2.8** | |

*Implementation for the biennium 2008-2009*

103. Details on implementation during the biennium 2008-2009 were reported in the second progress report (A/65/389). As shown in table 4 above, expenditure was $17,699,700, against total approved resources of $20,000,000. The expenditure provided for the analysis and validation of the United Nations "as-is" business processes and its high-level design to derive the "business blueprint"; internal consultation to identify the needs of the organization and opportunities for improvement as well as the preliminary identification of qualitative and quantitative value opportunities and comparative analyses of implementation strategies, including costing models that were created and subsequently presented to the General Assembly at its sixty-fourth session for its consideration. The majority of expenditure (44.8 per cent) related to contractual services in the amount of $7,933,300, with a further $5,614,000 (31.7 per cent) incurred on staff costs, and supporting general operating expenses of $2,344,200 (13.2 per cent).

*Implementation for the biennium 2010-2011*

104. The third progress report (A/66/381) presented estimated requirements of $103,635,800, which compare with actual expenditure of $100,709,100 for the biennium, representing utilization of 97.2 per cent.

105. As illustrated in table 4 above, more than 70 per cent of expenditure for the biennium 2010-2011 is related to the costs of contractual services and expenditure under the object category of furniture and equipment.

106. As regards the contractual services ($46,540,500), these relate to vendor contracts that provide services such as the systems integration for design; legal consulting for the negotiation of contractual terms and conditions; strategic advisory services; technical advice on enterprise resource planning software; and the managed enterprise resource planning hosting solution for sandbox. The majority of costs, $45,421,500, relate to systems integrator services for the design, as well as $1,119,000 incurred for hosting services. Underexpenditure in this category ($1,566,600) reflects the requirements for training in the selected enterprise resource planning software, which was originally scheduled to take place during 2010-2011 and which is now rephased into the biennium 2012-2013.

107. As regards furniture and equipment ($24,433,200), this principally relates to the purchase of software licences and the associated maintenance fees, although the overexpenditure of $122,000 is attributable to the purchase of videoconferencing and office automation equipment for the project office in the Mobil Building.

108. As illustrated in table 4 above, the largest variances consist of underexpenditure in respect of other staff costs (subject matter experts), consultants, travel and contractual services, offset marginally by overexpenditure in respect of post costs (temporary positions) and furniture and equipment (explained in para. 107 above). Major variances are explained as follows:

(a) Underexpenditure for other staff costs ($628,100) is attributable to high vacancy rates owing to the difficulties in onboarding subject matter experts with the necessary expertise, as well as to turnover;

(b) Underexpenditure for consultants and experts ($386,700) arose owing to the difficulties experienced in hiring consultants with the requisite knowledge of the selected enterprise resource planning software because the United Nations consultancy rates are not competitive against the much higher consultancy rates that prevail in the private sector;

(c) Underexpenditure for travel of staff ($753,500) resulted from the postponement to 2013 of planned travel for training, resolution, conversion and preparation for deployment;

(d) General operating expenses ($6,695,300) predominantly relate to the rental cost of office space, but were higher than projected ($81,800) because of the additional construction required for the technical equipment room at the offices occupied by the Umoja team to enable the installation of the staff Internet network (local area network) and the United Nations telephone service for Umoja staff;

(e) Supplies and materials costs ($176,300) were higher than anticipated ($38,600) owing to the additional cost of mobile office services provided by the Office of Information, Communications and Technology to Umoja during 2010-2011.

## C. Estimated requirements for 2012 and 2013

109. Tables 5 and 6 below summarize estimates for the resource requirements of Umoja for 2012 and 2013, respectively, and provide a comparison with the estimates presented in the third annual progress report.

Table 5
**Revised resource requirements for 2012**
(Thousands of United States dollars)

| *Object of expenditure* | *A/66/381* | *Revised forecast* | *Difference/ increase/ (decrease)* | *Percentage change* |
|---|---|---|---|---|
| Posts | 15 432.1 | 13 305.6 | (2 126.5) | (13.8) |
| Other staff costs | 8 896.4 | 3 688.5 | (5 207.9) | (58.5) |
| Consultants | 1 742.4 | 763.5 | (978.9) | (56.2) |
| Travel of staff | 3 745.4 | 695.8 | (3 049.6) | (81.4) |
| Contractual services | 22 455.9 | 37 375.9 | 14 920.0 | 66.4 |
| General operating expenses | 2 655.5 | 2 487.4 | (168.1) | (6.3) |
| Supplies and materials | 155.0 | 161.0 | 6.0 | 3.9 |
| Furniture and equipment | 12 800.8 | 6 766.3 | (6 034.5) | (47.1) |
| **Total** | **67 883.5** | **65 244.1** | **(2 639.4)** | **(3.9)** |

110. The revised projection for requirements for 2012 amounts to $65,244,100, representing a decrease of $2,639,400, or 3.9 per cent, compared with previous estimates. The decrease is the net result of the following factors:

(a) Projected requirements for posts of $13,305,600 would cover the salary and common staff costs for the continuation of 90 temporary posts (1 ASG, 8 D-1, 21 P-5, 37 P-4, 9 P-3, 1 P-2, 1 General Service (Principal level) and 12 General Service (Other level)). In accordance with General Assembly resolution 66/263, a new post at the level of Assistant Secretary-General was authorized effective 1 July 2012. The post at the D-2 level was subsequently discontinued effective 30 June 2012. The reduced requirements ($2,126,500) reflect revised estimates based on the level of vacancies experienced during 2012;

(b) Revised requirements under other staff costs of $3,688,500 reflect the provision for general temporary assistance in respect of the 66 subject-matter experts who will complement the Umoja project team throughout the duration to the completion of the Umoja revised implementation approach. The reduced requirements of $5,207,900 reflect revised estimates based on the level of vacancies experienced during 2012;

(c) Estimated requirements under consultants of $763,500 reflect the need for consultants with specialist expertise that is not available in the Secretariat and for activities that are outside the remit of the systems integrator, as follows:

(i) Change management: during the build and deployment phase, external expertise will be required in the areas of content development and technical expertise to support communication and training efforts. Content development

will include the creation of learning and communication materials to support deployment. Technical expertise will include the design, development and deployment of online collaborative learning tools;

(ii) Technical consultancy: external expertise will be required to augment the contracted build systems integrator in specific technical areas such as mobile technology, report design and implementation, data warehousing and business intelligence;

(iii) Functional consultancy: external expertise will be required to augment the contracted build systems integrator in specific functional areas such as travel, central services, field operations, logistics and payroll;

(iv) Management consultants: external expertise will be required to provide independent quality assurance of the activities of the contracted systems integrator;

(d) The decrease in consultant costs of $978,900 is attributable to the difficulties in hiring consultants with requisite technical expertise in the selected enterprise resource planning software knowledge because United Nations consultancy rates are not competitive with the private sector enterprise resource planning rates, which are much higher;

(e) Revised requirements under travel of $695,800 would provide for the travel of Umoja staff to complete the build and deployment of the Umoja Foundation in the pilot location and the subsequent clusters. The provision includes the deployment and training conference room pilot exercise in Brindisi scheduled for November 2012. The decrease in projected requirements of $3,049,600 is attributable to the postponement of the planned activities for Umoja deployment and training to 2013, when implementation will begin, in accordance with the revised implementation approach;

(f) The increased projected requirements for contractual services of $37,375,900 comprise:

(i) Legal consulting services for the negotiation of contractual terms ($193,600);

(ii) Strategic consulting services to the Umoja project management office ($835,800);

(iii) Systems integrator for build, test and deploy for Umoja Foundation ($13,832,900);

(iv) Systems integrator for build, test and deploy for Umoja Extension 1 ($1,500,000);

(v) Systems integrator professional services ($3,473,100);

(vi) Design systems integrator ($7,827,300);

(vii) Enterprise resource planning software training for Umoja staff ($630,000);

(viii) Hosting services ($8,678,500);

(ix) Strategic advisory in infrastructure integration ($289,500);

(x) Collaboration with the World Food Programme (WFP) ($108,900);

(xi) Conference facilities ($6,300);

(g) The major contributors to the net increase in contractual services of $14,920,000 are the higher-than-anticipated cost of the hosting service ($8,322,700), additional services of the design systems integrator ($7,827,300), enterprise resource planning integrated business services ($2,823,000), which were partially offset by lower than planned costs of the build systems integrator ($4,704,300), the present hosting contactor ($731,000) and enterprise resource planning special services (strategic advisory for technical support) ($483,500);

(h) The reduced projected requirements under general operating expenses of $2,487,400 provide for the rental of premises, maintenance and support of the local area network technical infrastructure and central servers. The decrease of $168,100 is attributable mainly to the reduction in projected communications costs and the acquisition of office automation equipment for non-staff project personnel;

(i) Requirements under furniture and equipment of $6,766,300 would provide for the acquisition of software licences, namely:

(i) Enterprise resource planning software modules, add-on products for Umoja Extension 1 maintenance ($17,400);

(ii) Enterprise resource planning software licences maintenance fees ($2,777,400);

(iii) Database tools and database licences ($1,412,000);

(iv) Maintenance fees ($423,300);

(v) Testing tools ($1,600,000);

(vi) Maintenance fees for licences for testing tools ($304,000);

(vii) Testing, project collaboration, ancillary maintenance cost ($113,900);

(viii) Purchase of barcode printer ($25,000);

(ix) Replacement of laptops ($93,300);

(j) The projected decrease in furniture and equipment costs of $6,034,500 is attributable mainly to the cost of hardware, which will be procured under hosting services under the contractual services category.

**Table 6**
**Revised resource requirements for 2013**
(Thousands of United States dollars)

| *Object of expenditure* | *A/66/381* | *Revised forecast* | *Difference increase/ (decrease)* | *Change (percentage)* |
|---|---|---|---|---|
| Posts | 15 432.0 | 15 759.1 | 327.1 | 2.1 |
| Other staff costs | 8 896.3 | 9 051.4 | 155.1 | 1.7 |
| Consultants and experts | 1 742.4 | 1 742.4 | – | – |
| Travel of staff | 4 906.5 | 2 835.7 | (2 070.8) | (42.2) |
| Contractual services | 12 169.9 | 33 763.7 | 21 593.8 | 177.4 |
| General operating expenses | 2 509.2 | 2 625.2 | 116.0 | 4.6 |
| Supplies and materials | 135.4 | 93.3 | (42.1) | (31.1) |
| Furniture and equipment | 3 698.3 | 3 774.0 | 75.7 | 2.0 |
| **Total** | **49 490.0** | **69 645.0** | **20 154.8** | **40.7** |

111. The estimated requirements for 2013 amount to $69,645,000, reflecting an increase of $20,154,800, or 40.7 per cent, compared with the estimates presented in the third annual progress report. The increase, as shown in table 6 above, can be summarized as follows:

(a) Revised requirements of $15,759,100 under posts would provide for salary and common staff costs for the continuation of 90 temporary posts (1 Assistant Secretary-General, 8 D-1, 21 P-5, 37 P-4, 9 P-3, 1 P-2, 1 General Service (Principal level) and 12 General Service (Other level)). The increase in the costs ($327,100) reflects the net effect of revisions in standard salary costs, common staff costs and staff assessment rates;

(b) Revised requirements of $9,051,400 under other staff costs would provide for general temporary assistance in respect of the 66 subject matter experts. A substantial number of such experts, estimated at 20, will be dedicated to training of end users as Umoja is deployed;

(c) Requirements for consultancy services, in the amount of $1,742,400, are unchanged and would provide for consultants where expertise is not available in the Secretariat and whose activities are outside the remit of the systems integrator as follows:

(i) Change management: during the build and deployment phase, external expertise will be required in the areas of content development and technical expertise to support communication and training efforts. Content development will include the creation of learning and communication materials to support deployment. Technical expertise will include the design, development and deployment of online collaborative learning tools;

(ii) Technical consultancy: external expertise will be required to augment the contracted build systems integrator in specific technical areas such as mobile technology, report design and implementation, data warehousing and business intelligence;

(iii) Functional consultants: external expertise will be required to augment the contracted build systems integrator in specific functional areas such as travel, central services, field operations, logistics and payroll;

(iv) Management consultants: external expertise will be required to provide independent quality assurance of the activities of the contracted systems integrator;

(d) Revised requirements of $2,835,700 under travel costs would provide for travel of Umoja staff to complete the build and deployment of the Umoja Foundation in the pilot location and the subsequent clusters. Requirements will also cover travel costs of the Umoja trainers who will deliver comprehensive training to local process experts during 2013. While efforts continue to be made to use videoconferencing to the extent possible, it is not optimal for holding end user training when hands-on, face-to-face interaction is required. Classroom training will, however, be supplemented with online training to the extent possible. A new approach, "train the trainer", which avoids the need to have "principal" trainers travel to each and every individual duty station, will be implemented in 2013, thus reducing the travel requirements by $2,070,800;

(e) Revised requirements of $33,763,700 under contractual services comprise:

(i) Legal consulting services for the negotiation of contractual terms ($250,000);

(ii) Strategic consulting services to the Umoja project management office ($316,300);

(iii) Systems integrator for build, test and deploy for Umoja Foundation ($11,405,300);

(iv) Systems integrator for build, test and deploy for Umoja Extension 1 ($14,516,700);

(v) Systems integrator professional services ($3,340,000);

(vi) Design systems integrator ($426,600);

(vii) Enterprise resource planning software training for Umoja staff ($1,500,000);

(viii) Hosting services ($1,340,500);

(ix) Strategic advisory in infrastructure integration ($546,800);

(x) Collaboration with WFP ($108,900);

(xi) Conference facilities ($12,600);

(f) The increase in contractual services of $21,593,800 is attributable to the following: (i) build Foundation ($6,758,296); (ii) build Extension ($8,409,595); (iii) enterprise resource planning integrated business services and special services — build Extension ($1,103,331); (iv) application management support ($2,291,667); (v) training on the selected enterprise resource planning software ($1,256,610); (vi) hosting services ($1,027,201); and (vii) enterprise resource planning advisory services ($400,000). The Umoja project team has reviewed and reassessed the value of contractual services for 2013 and determined that the projections provided in

document A/66/381 were underestimated owing mainly to the need to compensate with consultancy support the limited availability of enterprise resource planning software skills within the Umoja team;

(g) Revised requirements of $2,625,200 under general operating expenses would provide for the rental of premises, the maintenance and support of the local area network technical infrastructure and central servers. The increase of $116,000 is attributable to additional requirements for Office of Information and Communications Technology data-processing support and communications services for guest access to the network and for use of the financial management tool;

(h) Revised requirements under supplies and materials of $93,300 would provide for stationery and office supplies, including training materials. The variance of $42,100 is attributable to the reduced requirements for printing of training materials, which will instead be provided in electronic format;

(i) Revised requirements under furniture and equipment in the amount of $3,774,000 would provide for the acquisition of software licences, namely: (i) enterprise resource planning software modules, add-ons products for Umoja Extension 1 and maintenance ($120,000); (ii) maintenance costs for enterprise resource planning software licences ($2,777,400); (iii) database and testing tools maintenance ($423,300); (iv) maintenance fees for licences for testing tools ($304,000); (v) testing, project collaboration, ancillary maintenance costs ($133,900); and (vi) the replacement of laptops ($15,400). The variance of $75,700 is attributable to maintenance costs of additional software licences acquired in 2012.

112. In summary, the revised implementation plan and updated projections for the biennium 2012-2013 result in estimated requirements of $134,889,100, as compared with $117,373,500 presented in the third annual progress report, which is an increase of $17,515,600 (14.9 per cent). This is reflected in table 7 below.

Table 7
**Umoja cumulative projected expenditure to end of 2013**
(Thousands of United States dollars)

| | | *Revised resource requirements* | | | |
|---|---|---|---|---|---|
| *Object of expenditure* | *A/66/381 2012-2013* | *2012 Projected* | *2013 Projected* | *2012-2013 Projected* | *Difference increase/ (decrease)* |
| Posts | 30 864.1 | 13 305.6 | 15 759.1 | 29 064.7 | (1 799.4) |
| Other staff costs | 17 792.7 | 3 688.5 | 9 051.4 | 12 739.9 | (5 052.8) |
| Consultants and experts | 3 484.8 | 763.5 | 1 742.4 | 2 505.9 | (978.9) |
| Travel of staff | 8 651.9 | 695.8 | 2 835.7 | 3 531.5 | (5 120.4) |
| Contractual services | 34 625.8 | 37 375.9 | 33 763.7 | 71 139.6 | 36 513.8 |
| General operating expenses | 5 164.7 | 2 487.4 | 2 625.2 | 5 112.6 | (52.1) |
| Supplies and materials | 290.4 | 161.0 | 93.3 | 254.3 | (36.1) |
| Furniture and equipment | 16 499.1 | 6 766.3 | 3 774.0 | 10 540.3 | (5 958.8) |
| **Total** | **117 373.5** | **65 244.0** | **69 644.8** | **134 888.8** | **17 515.3** |
| **Percentage increase** | | | | | **14.9** |

113. The increase in estimated requirements for the biennium 2012-2013 is principally caused by the change in implementation strategy and significant revisions in the estimated cost of contractual services ($36,513,800), which are partially offset by reduced requirements under the other objects of expenditure.

## D. Estimated requirements for 2014 and 2015

Table 8
**Original and revised estimates for 2014-2015**
(Thousands of United States dollars)

| *Object of expenditure* | *A/66/381 2014-2015* | *Revised forecast* | | | *Difference increase/ (decrease)* |
|---|---|---|---|---|---|
| | | *2014* | *2015* | *2014-2015* | |
| Posts | 27 046.1 | 15 759.1 | 15 759.1 | 31 518.2 | 4 472.1 |
| Other staff costs | 15 624.7 | 9 051.4 | 9 051.4 | 18 102.8 | 2 478.1 |
| Consultants | 3 049.2 | 1 742.4 | 1 742.4 | 3 484.8 | 435.6 |
| Travel of staff | 6 470.9 | 2 253.1 | 2 646.0 | 4 899.1 | (1 571.8) |
| Contractual services | 19 416.4 | 15 710.3 | 7 597.3 | 23 307.6 | 3 891.2 |
| General operating expenses | 5 018.5 | 2 875.2 | 2 625.2 | 5 500.4 | 481.9 |
| Supplies and materials | 237.0 | 90.7 | 91.5 | 182.2 | (54.8) |
| Furniture and equipment | 220.5 | 3 938.9 | 3 906.4 | 7 845.3 | 7 624.8 |
| **Total** | **77 083.3** | **51 421.1** | **43 419.3** | **94 840.4** | **17 757.1** |

114. The deployment strategy is described in section III of the present report. As shown in table 8 above, it is estimated that the total cost for the biennium 2014-2015 will amount to $94,840,400, reflecting an increase of $17,757,100, or 13 per cent, compared with the previously estimated cost of $77,083,300 presented in the third annual progress report.

115. An amount of $31,518,200 for the biennium will provide for 90 temporary posts and $18,102,800 for 66 subject matter experts. The estimated increases of $4,472,100 under posts and other staff costs of $2,478,100 are attributable to the extension of the project beyond 2014, which was the formerly scheduled completion date, and the corresponding level of effort required to complete the deployment of Umoja Foundation and Umoja Extension 1, and to provide the requisite support following go-live in the clusters, as well as to complete the final design of the processes to be included in the Umoja 2017 Release.

116. Requirements under consultants and experts amount to $3,484,800, comprising fees ($3,196,800) and travel costs ($288,000), and are based on an estimate of 288 work months of specialized expertise at an average rate of $11,100 a month and a one-time annual travel cost of $12,000 for each of 12 individual consultants. This will provide for consultants where expertise is not available in the Secretariat and whose activities are outside the remit of the systems integrator, including:

(a) Technical consultants: external expertise will be required to augment the contracted build systems integrator in providing technical support post go-live;

(b) Functional consultants: external expertise will be required to augment the contracted build systems integrator in specific functional areas to be included in the final design of the processes to be included in the Umoja 2017 Release. Umoja will recruit qualified consultants with the requisite combination of skills and experience in these areas, including experience with other United Nations bodies or public sector entities.

117. Travel of the Umoja team for training, production, entity realization and post-production support to peacekeeping duty stations, offices away from Headquarters, the regional commissions and the tribunals is estimated at $4,899,100, further to the refinement of the training approach based on the entity-by-entity deployment strategy described in section III.D above and annex III.

118. Contractual services are estimated at $23,307,600 for: (a) the build systems integrator in respect of Umoja Extension 1 for the period through mid-2014; (b) systems integrator professional services (advisory) and application management support; and (c) the scheduled completion of enterprise resource planning training in 2015.

119. General operating expenses of $5,500,400 are for the rental of premises, maintenance and support of the local area network technical infrastructure and central servers and the rental and maintenance of office automation equipment. The current rental agreement for Umoja premises is valid through 2018. The provision for the rental of training facilities for United Nations Headquarters users is included in 2014.

120. Supplies and materials in the amount of $182,200 are for stationery and office supplies, including such items as printer cartridges, data-processing supplies, paper and other miscellaneous supplies. The provision includes an additional requirement of $6,200 for Umoja training materials at the rate of $20 per participant based on the cluster deployment strategy in 2014-2015.

121. Furniture and equipment costs of $7,845,300 relate to maintenance costs for enterprise resource planning licences, enterprise resource planning software and project software maintenance, database maintenance, testing tools maintenance and virtual private network (VPN) access.

## E. Preparatory activities and indirect costs

122. In an enterprise resource planning implementation, direct costs, such as for system design and development, are borne by the project budget. However, costs for end user activities that need to be performed throughout the Secretariat prior to go-live (indirect costs) — such as cleansing and enriching data to be migrated to the enterprise resource planning system, system validation, end user training, and ensuring that information technology infrastructure will support the system — are, in principle, part of the operational responsibilities of the user departments that perform the functions and own the corresponding data.

123. A working group is in the process of identifying all preparatory activities and indirect costs related to Umoja implementation, with a view to providing guidance to the budget owners so that they may have the opportunity to plan how to use their existing resources to support Umoja implementation. Instructions on the preparation of the proposed programme budget for the biennium 2014-2015 with respect to

Umoja are due to be provided by the end of August 2012, with the expectation that all concerned departments shall make every effort to absorb these costs within their existing budgets. A proposal to address the situation will be presented in the context of the fifth progress report on Umoja.

# V. Summary of resource requirements for the enterprise systems for the United Nations Secretariat worldwide and request for action by the General Assembly

## A. Summary of recommended requirements based on the revised implementation strategy

124. Subject to the approval by the General Assembly of the proposed revised implementation strategy, the proposal will give rise to additional resources of $32,346,200. Table 9 below illustrates the overall revision to the project resource requirements, with a comparison to the original proposed budget.

Table 9
**Estimated requirements through 2015 based on the recommended implementation strategy**
(Thousands of United States dollars)

| *Object of expenditure* | *2008-2009 actual* (a) | *2010-2011 actual* (b) | *2012-2013 projected* (c) | *2014-2015 projected* (d) | *Revised requirements* (e)=(a) to (d) | *Original budget* (f) | *Difference increase/ (decrease)* (g)=(e)-(f) |
|---|---|---|---|---|---|---|---|
| Posts | – | 16 828.5 | 29 064.7 | 31 518.2 | 77 411.4 | 74 572.9 | 2 838.5 |
| Other staff costs | 5 614.0 | 4 442.3 | 12 739.9 | 18 102.8 | 40 899.0 | 44 101.8 | 3 202.8 |
| Consultants and experts | 72.6 | 664.2 | 2 505.9 | 3 484.8 | 6 727.5 | 7 657.5 | (930.0) |
| Travel of staff | 964.1 | 928.8 | 3 531.5 | 4 899.1 | 10 323.5 | 17 769.2 | (7 445.7) |
| Contractual services | 7 933.3 | 46 540.5 | 71 139.6 | 23 307.6 | 148 921.0 | 110 082.6 | 38 838.4 |
| General operating expenses | 2 344.1 | 6 695.3 | 5 112.6 | 5 500.4 | 19 652.4 | 19 140.8 | 511.6 |
| Supplies and materials | 606.9 | 176.3 | 254.3 | 182.2 | 1 219.7 | 1 272.0 | (52.3) |
| Furniture and equipment | 164.7 | 24 433.2 | 10 540.3 | 7 845.3 | 42 983.5 | 41 195.5 | 1 788 |
| **Total** | **17 699.7** | **100 709.1** | **134 889.1** | **94 840.6** | **348 138.5** | **315 792.3** | **32 346.2** |

125. The Secretary-General will seek the appropriations necessary to finance the continuation of activities in 2015 and beyond. Revised resources of $348,138,500 will deliver the deployment of functionality related to the Umoja Foundation and Umoja Extension 1 and the design blueprint and baseline configuration for Umoja Extension 2.

126. Table 10 below reflects the summary of additional funding distribution between funds to be approved by the General Assembly.

Table 10
**Summary of resources to be approved by the General Assembly**
(Thousands of United States dollars)

| *Source of funds* | *Future requirements (2012-2013)* | *Future requirements (2014-2015)* | *Additional requirements per revised implementation (2014-2015)* | *Total* |
|---|---|---|---|---|
| Regular budget | – | 31 076.0 | 4 851.9 | 35 927.9 |
| Support account for peacekeeping operations | 18 668.9 | – | 20 054.7 | 38 723.6 |
| Extrabudgetary | – | – | 7 439.6 | 7 439.6 |
| **Total** | **18 668.9** | **31 076.0** | **32 346.2** | **82 091.1** |

## B. Actions to be taken by the General Assembly

127. **The General Assembly is requested:**

**(a) To take note of the progress in the implementation of the Umoja project presented in the present report;**

**(b) To approve the revised plan of completing by December 2015 the design, build and deployment of Umoja Foundation and Umoja Extension 1, and the design of Umoja Extension 2, which would include the 133 remaining processes, and to postpone the building and deployment of Umoja Extension 2 to the two annual Umoja releases of 2017 and 2018;**

**(c) To note the revised requirements of the Umoja project for 2012 in the amount of $65,244,100, and to approve the proposed requirements for 2013 in the amount of $69,645,000;**

**(d) To approve the estimated requirements for implementation of Umoja Foundation and Umoja Extension 1 through to 31 December 2015 in the amount of $348,138,500 and to take note that the additional requirements until 31 December 2015, in the estimated amount of $32,346,200, will be distributed as follows:**

**(i) Regular budget (15 per cent), $4,851,900;**

**(ii) Support Account for Peacekeeping Operations (62 per cent), $20,054,700;**

**(iii) Extrabudgetary resources (23 per cent), $7,439,600;**

**(e) To invite the Secretary-General to revert with a proposal for integrating Umoja support and maintenance into the operational structure of the Secretariat once Foundation and Extension 1 are completed, through a new and compact "Umoja centre of excellence", in the context of the fifth progress report on Umoja;**

*Regular budget*

**(f) To note that the future remaining requirements in the estimated amount of $35,927,900 for the implementation of the Umoja project will be included in the context of the proposed programme budget for the biennium 2014-2015;**

*Support account for peacekeeping operations*

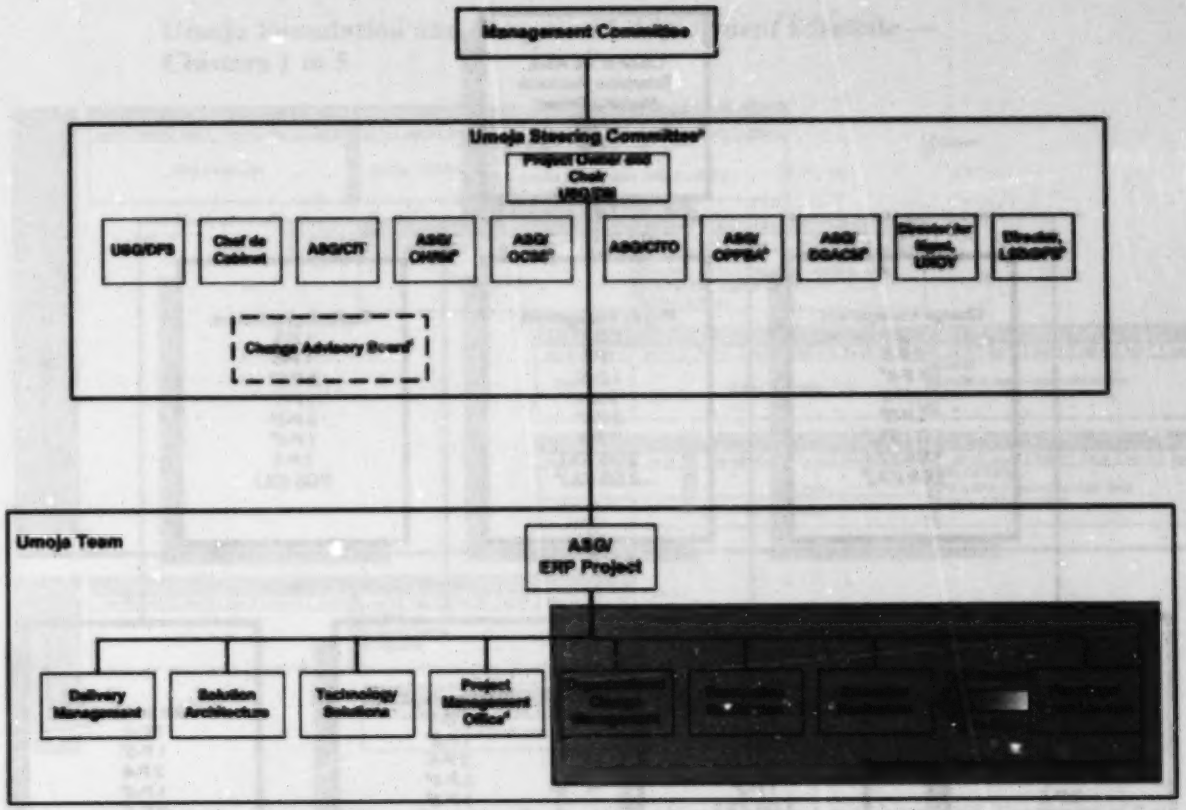
**(g) To note that the future remaining requirements in the estimated amount of $18,668,900 will be included in the subsequent requirements for the support account for peacekeeping operations for the financial period from 1 July 2013 to 30 June 2014, and the remaining additional requirements in the estimated amount of $20,054,700 will be included in the financial period from 1 July 2014 to 30 June 2015;**

*Extrabudgetary resources*

**(h) To take note that additional future remaining requirements in the estimated amount of $7,439,600 will be funded from extrabudgetary resources in the financial period from 1 January 2014 to 31 December 2015.**

# Annex I

## Umoja governance model




*Abbreviations*: ASG, Assistant Secretary-General; CITO, Chief Information Technology Officer; DFS, Department of Field Support; DGACM, Department for General Assembly and Conference Management; DM, Department of Management; ERP, enterprise resource planning; LSD, Logistics Support Division; OCSS, Office of Central Support Services; OHRM, Office of Human Resources Management; OPPBA, Office of Programme Planning, Budget and Accounts; UNOV, United Nations Office at Vienna; USG, Under-Secretary-General.

[a] The Office of Legal Affairs and Office of Internal Oversight Services have observer status on the Steering Committee.

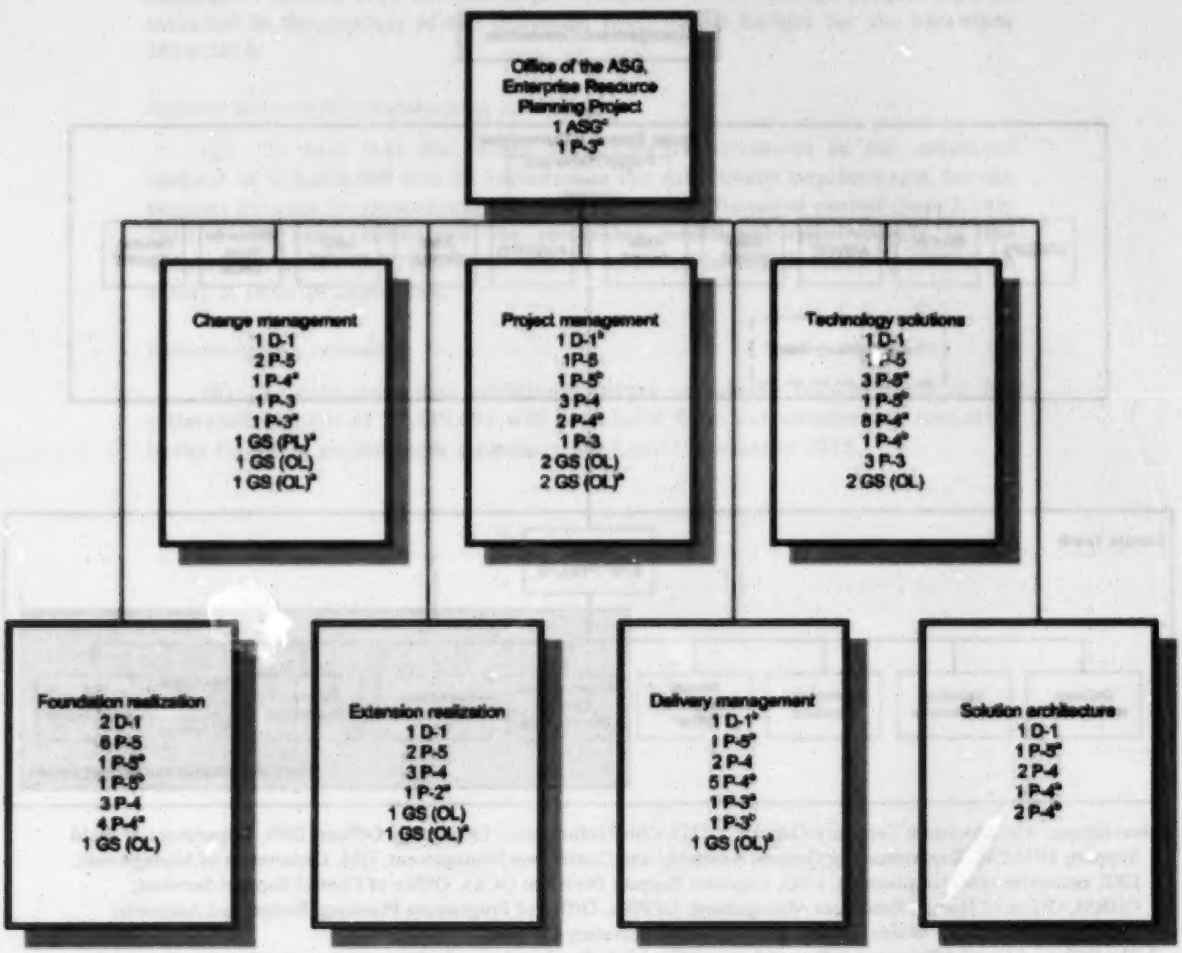
[b] Steering Committee Member is also designated as a Process Owner.

[c] The Change Advisory Board is a subset of the Steering Committee membership.

[d] The head of the Umoja Project Management Office also serves as the Deputy Project Director.

# Annex II

## Organizational structure and post distribution for 2013




*Abbreviations*: ASG = Assistant Secretary-General; GS = General Service; OL = Other level; PL = Principal level.

[a] Approved at the sixty-fourth session.

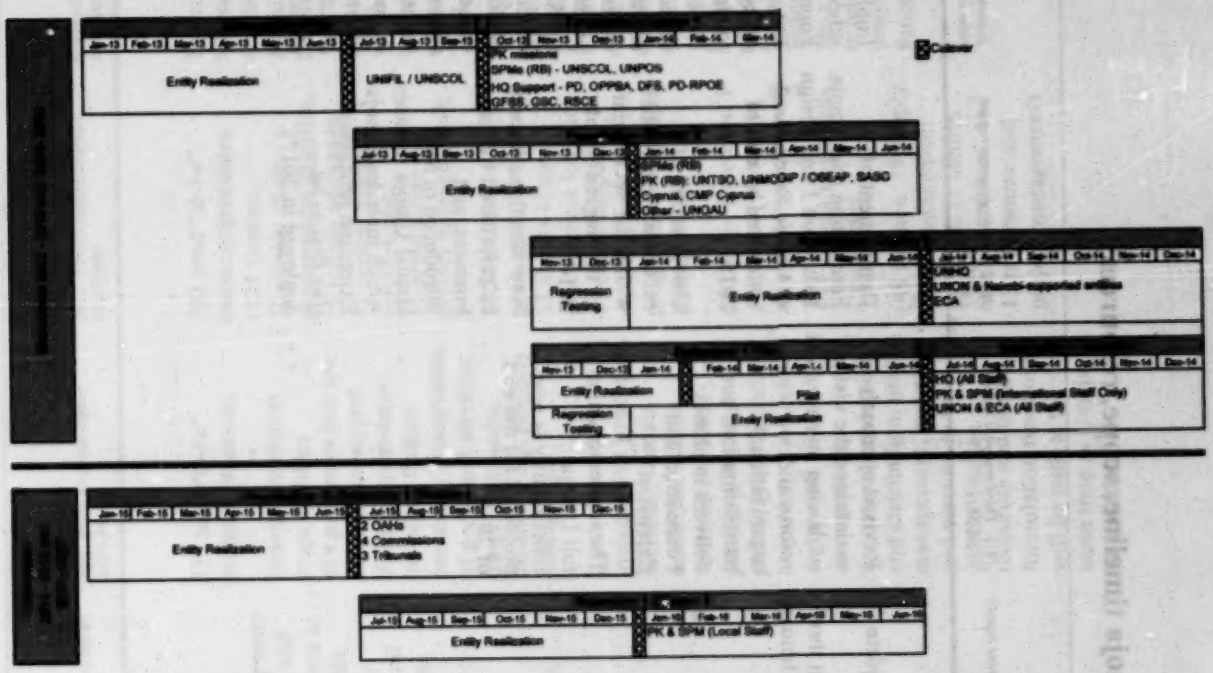
[b] Approved at the sixty-fifth session.

[c] Approved at the sixty-sixth session.

# Annex III

## Detailed Umoja deployment plan

### Umoja Foundation and Extension 1 deployment schedule — Clusters 1 to 5




*Abbreviations*: CMP, Committee on Missing Persons in Cyprus; OAH, office away from Headquarters; DFS, Department of Field Support; ECA, Economic Commission for Africa; HQ, Headquarters; GFSS, global field support strategy; GSC, Global Service Centre; OPPBA, Office of Programme Planning, Budget and Accounts; OSEAP, Special Envoy to Pakistan; PD, Procurement Division; PK, peacekeeping; RB, regular budget; RPOE, recovery point objective; RSCE, Regional Service Centre — Entebbe; SPM, special political mission; SASG, Special Assistant to the Secretary-General; UNIFIL, United Nations Interim Force in Lebanon; UNOAU, United Nations Office to the African Union; UNMOGIP, United Nations Military Observer Group in India and Pakistan; UNON, United Nations Office at Nairobi; UNPOS, United Nations Political Office for Somalia; UNSCOL, Office of the United Nations Special Coordinator for Lebanon; UNTSO, United Nations Truce Supervision Organization.

# Annex IV

## Comparison over time — Umoja timeline, scope, resources

| *2008: A/62/510/Rev.1 and A/63/487 (Advisory Committee on Administrative and Budgetary Questions)* | *2009: First progress report (A/64/380)* | *2010: Second progress report (A/65/389)* | *2011: Third progress report (A/66/381)* | *2012: Fourth progress report (A/67/360)* | *Rationale for change between third and fourth report* |
|---|---|---|---|---|---|
| **Timeline** | | | | | |
| Preparatory phase: 2007-mid-2008;<br><br>Wave 1 (30 months): third quarter 2008 to end-2010;<br><br>Wave 2 (24 months): first quarter 2011 to **end-2012.**<br><br>Revised timeline owing to delay in General Assembly consideration:<br><br>Preparatory phase: 2007-first quarter 2009; Wave 1 (30 months): second quarter 2009 to third quarter 2011; Wave 2 (24 months): fourth quarter 2011 to **mid-2013.** | Four deployment options presented. Pilot First recommended.<br><br>The complete solution ready by the end of 2011 and deployed to the entire Secretariat in three major phases by the **end of 2013**. | Build to complete end 2011, deployment in three phases, from January 2012 through **end 2013**. | Revised approach maintained the vision of driving management reform and organizational transformation, but delivers in phases: Foundation and Extension.<br><br>The implementation of full Umoja functionality is now projected for the **end of 2015.** | Deployment of Foundation and Umoja Extension 1 and design of Umoja Extension 2 completed by **end of 2015**.<br><br>Umoja centre of excellence established within the Secretariat by the **beginning of 2016.**<br><br>New functionality will be prioritized by the business, and introduced in new annual Umoja releases, which includes Umoja Extension processes (the first to be deployed in 2017). | Implementation schedule for Foundation and Umoja Extension 1 revised to reflect additional time to close open design issues, incorporate scheduled contingency, and address the different levels of preparedness across the Secretariat. Umoja Extension 2 to be deployed in two successive annual releases to allow for a focus on the Foundation and Umoja Extension 1 build, test and deployment phases. |

| *2008: A/62/510/Rev.1 and A/63/487 (Advisory Committee on Administrative and Budgetary Questions)* | *2009: First progress report (A/64/380)* | *2010: Second progress report (A/65/389)* | *2011: Third progress report (A/66/381)* | *2012: Fourth progress report (A/67/360)* | *Rationale for change between third and fourth report* |
|---|---|---|---|---|---|
| **Functional Scope** | | | | | |
| (no functional scope numbers in document A/62/510/Rev.1) | (no functional scope numbers in document A/64/380) | **More than 270 processes encompassing** most administrative and support functions in human resources, finance, supply chain and central support services. | **317** total "to-be" business processes<br><br>Umoja Foundation scope includes **119 processes** that are essential to support IPSAS requirements, including finance processes; procurement of goods and services; travel; and assets, inventory and property management.<br><br>Extension scope includes **198 processes,** including human resources, budget formulation, force planning, demand planning and logistics execution; conference and events management; documents production and distribution; grants management; and sales and services to the public. Human resources and budget formulation functions will be built at the same time as Umoja Foundation. | **321** total "to-be" business processes (124 finance, 70 supply chain procurement logistics, 59 human resources, 52 central support services and 16 programme and project management);<br><br>**122** Foundation processes (76 finance, 35 supply chain procurement logistics, 8 central support services, and 3 programme and project management)<br><br>**66** Umoja Extension 1 processes (59 human resources and 7 travel)<br><br>**133** Umoja Extension 2 processes<br><br>(48 finance, 35 supply chain procurement logistics, 37 central support services, and 13 programme and project management). | Extension divided into two subsets of functionality: Umoja Extension 1 and Extension 2.<br><br>Umoja Extension 2 will be deployed in two successive annual releases, in 2017 and 2018.<br><br>Travel processes moved from Foundation to Umoja Extension 1 owing to a close relationship with the human resources solution.<br><br>Budget formulation processes moved from Umoja Extension 1 to Extension 2 to allow for a focus on and the resolution of underlying functionality. |

| *2008: A/62/510/Rev.1 and A/63/487 (Advisory Committee on Administrative and Budgetary Questions)* | *2009: First progress report (A/64/380)* | *2010: Second progress report (A/65/389)* | *2011: Third progress report (A/66/381)* | *2012: Fourth progress report (A/67/360)* | *Rationale for change between third and fourth report* |
|---|---|---|---|---|---|
| **Staffing resources** | | | | | |
| Requested **44** general temporary assistance posts (approved).<br><br>Prior to the adoption of resolution 63/262, an **interim skeleton team** was put in place drawing on the Secretary-General's limited budgetary discretion. | Requested **36** additional temporary posts (approved).<br><br>Total: **80** posts<br><br>$19 million to provide backfill for subject matter experts (44 for design, 66 for build).<br><br>Posts filled as of 31 July 2009: **28**<br><br>(15 regular, 13 temporary).<br><br>No subject matter experts on board. | Requested **10** additional temporary posts (approved).<br><br>Total: **90** posts<br><br>$19 million to provide backfill for subject matter experts<br><br>(44 for design, 66 for build).<br><br>Posts filled as of 31 August 2010: **46**<br><br>(32 regular, 14 temporary).<br><br>No subject matter experts on board. | No change to posts.<br><br>$17.8 million to provide backfill for 66 subject matter experts.<br><br>Posts filled as of 31 August 2011: **67**<br><br>(53 regular, 14 temporary).<br><br>19 subject matter experts on board. | D-2 post converted to level of Assistant Secretary-General pursuant to resolution 66/263.<br><br>$9 million to provide backfill for 66 subject matter experts.<br><br>Posts filled as of 31 July 2012: **75**<br><br>(68 regular, 7 temporary).<br><br>20 subject matter experts on board. | Expedited recruitment processes have had a positive effect; however, gains have been offset by the turnover of staff and subject matter experts.<br><br>The current focus is on improving enterprise resource planning skills and in hiring the mix of resources required by the build, deploy and support phases. |

| *2008: A/62/510/Rev.1 and A/63/487 (Advisory Committee on Administrative and Budgetary Questions)* | *2009: First progress report (A/64/380)* | *2010: Second progress report (A/65/389)* | *2011: Third progress report (A/66/381)* | *2012: Fourth progress report (A/67/360)* | *Rationale for change between third and fourth report* |
|---|---|---|---|---|---|
| **Estimated project cost** | | | | | |
| To end 2012: **$285.6 million** (with contingency); **$248.3 million** (without contingency)<br><br>Contingency not recommended by the Advisory Committee. | **$315.8 million** | **$ 315.8 million** | **$315.8 million** | **$348.1 million**<br><br>Foundation, plus Umoja Extension 1 deployment and design of Umoja Extension 2, **plus preliminary estimated contracted services of $30 million** for the build phase of Umoja Extension 2 and deployment to a pilot. | **The difference is attributable predominantly to: the increase in contractual services and software licences (to some extent offset by a decrease in travel).** |

# Annex V

## Status of actions proposed by the Administration in response to the recommendations of the Board of Auditors

| *Recommendation* | *Responsible office* | *Agreed with (yes/no)* | *Target date for implementation* | *Administration comments (June 2012)* |
|---|---|---|---|---|
| The Board recommends that the project director: (a) consider the gaps identified by the Board and, on that basis, reassess the benefits model for the enterprise resource planning system in consultation with process owners; (b) agree a baseline with headline benefit figures to be realized by each process owner; (c) determine what the actual cashable savings will be; (d) assign accountability to process owners for realizing the agreed savings and benefits, and for developing plans to achieve them; and (e) communicate to the General Assembly what changes to the organization it proposes to implement to realize the intended annual benefits from the project | Umoja | Yes | July 13 | The gaps identified by the Board will require considerable consultation with (a) the steering committee to determine accountability, (b) the change implementation team to develop the vision/framework for "shared services" and (c) the process owners<br><br>This process will not be completed prior to the submission of the fourth annual report, in which the approach and progress will be summarized. Actual discussions with the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee will provide a further opportunity to provide updates. Target completion date of July 2013 coincides with the planned go-live of Umoja at a pilot site |
| The Board recommends that, in order to enable transparent planning and reporting of the achievement of the projected benefits of implementing the enterprise resource planning system and clarity over whether their achievement will require staff to be released or redeployed, the Administration consult the General Assembly on its benefits realization plans | Umoja | Yes | 2013, 2014, 2015 reports of the Secretary-General on Umoja | The future reports of the Secretary-General will include information on how posts may be redeployed or how roles may change as a direct result of the deployment and stabilization of the enterprise resource planning system. This information will be further enriched following identification and quantification of benefits at each entity in the six months preceding implementation |

| *Recommendation* | *Responsible office* | *Agreed with (yes/no)* | *Target date for implementation* | *Administration comments (June 2012)* |
|---|---|---|---|---|
| The Board also recommends that the Administration: (a) assign clear responsibility for all tasks related to developing proposals for realizing further benefits through changes in the approach to service delivery; and (b) publish a timetable against which these proposals will be developed | Umoja | Yes | Oct. 12 | There is an ongoing discussion between the change implementation team, the project owner and Umoja on this observation to determine the various roles and responsibilities |
| The Board recommends that the Administration: (a) clearly set out how it will manage change and embed more efficient and standardized working practices across the organization; and (b) develop plans for how staff will be supported to develop the skills, capacity and capability to adopt different working practices | Umoja | Yes | July 13 | The Umoja organizational change management team and the realization teams have developed approaches, strategies and plans to assess the change impact associated with the deployment of Umoja; the role-mapping (Umoja roles to individuals) approach and a learning/training approach. All these activities are aimed at ensuring that the Organization identifies the major changes between the "as is" and "to be" processes, determines the staff that will be impacted and ensures that appropriate communications, training and support is provided to them to ensure that the behavioural change is realized and that the impacted staff have only the user access and authority that is appropriate for them to execute their functions, with the proper segregation of duties |

| *Recommendation* | *Responsible office* | *Agreed with (yes/no)* | *Target date for implementation* | *Administration comments (June 2012)* |
|---|---|---|---|---|
| The Board also recommends that the Administration establish a formal approach to managing and improving business processes to enable continuous reform and improvement following implementation of the enterprise resource planning system | Umoja | Yes | Aug. 13 | A formal approach for a centre of excellence to manage and improve business processes post Umoja implementation will be considered during the development of the United Nations enterprise resource planning support and sustainment strategy. This strategy will include requirements for change management, training and business analysis to enable continuous improvement to the system after the implementation of Umoja |
| The Board recommends that the project director: (a) establish the level of engagement with the enterprise resource planning project across the Organization; (b) develop plans for addressing any shortfalls in communications or engagement; and (c) develop a communications and engagement strategy for the implementation phase | Umoja | Yes | Sept. 12 | A comprehensive engagement strategy was proposed, discussed and agreed with the steering committee and the process owners, including the roll-out support structure, the mobilization, awareness and training of all management and staff involved |
| The Board recommends that the Administration: (a) establish a detailed project plan linking the budget to milestones and deliverables; (b) set out clearly who owns each part of the budget and what they are responsible for delivering; and (c) establish arrangements for capturing information on expenditure and progress to enable it to more effectively monitor progress, maintain closer control over costs, and improve decision-making about future expenditure. | Umoja | Yes | Dec. 12 | With regard to the $118 million spent so far in the project, the Administration did not have systems in place that could link the budget to milestones and deliverables. The Administration can attest as to which activities have been implemented with these funds and what achievements have been obtained. Notwithstanding that this is not a requirement under the United Nations system accounting standards, the Administration recognizes the need to have such a tool in a project of this nature and it is introducing NOVA, one of the most efficient project management solutions available in the market, for that purpose |

| Recommendation | Responsible office | Agreed with (yes/no) | Target date for implementation | Administration comments (June 2012) |
|---|---|---|---|---|
| The Board recommends that the steering committee assess whether the Administration has an adequate number of staff with the appropriate commercial and contract management skills necessary to manage contracts with the multiple parties responsible for delivering different interdependent parts of the project | Department of Management-Office of the Under-Secretary-General | Yes | Dec. 12 | A detailed assessment of the adequacy of the contracts management function within Umoja will be undertaken. However, since June 2011, Umoja augmented its contract management capacity with the assignment of experienced procurement professionals with significant experience in United Nations procurement and contracting. The assignment of a subject matter expert together with the consolidation of all procurement activities under the Project Management Office has strengthened Umoja's ability to manage multiple third party contractors. After the assessment mentioned above is completed, the Administration will be able to determine if the measures implemented to date are sufficient |
| The Board recommends that the project director and steering committee: (a) reassess the feasibility of the project timetable and budget, including consideration of optimism bias and the probable impact of identified risks, and prepare a robust forecast of cost and time to complete the project under the current scope; and (b) report the findings and proposals to address any cost and time increases identified, to the General Assembly at the earliest opportunity | Umoja | Yes | Sept. 12 | An analysis of the project timetable, project budget and deployment strategy and other critical elements is currently nearing completion. This effort in the context of the preparation for the fourth annual report is being informed/validated by engagement with the project owner, the steering committee, process owners, Secretariat entities and external consultant groups. This engagement is necessary to gain acceptance and accountability of the Umoja timetable, scope and budget going forward. The fourth progress report will be cleared by the project owner, endorsed by the Umoja steering committee and the Management Committee and be processed as normal through the Programme Planning and Budget Division, the Office of the Under- |

| *Recommendation* | *Responsible office* | *Agreed with (yes/no)* | *Target date for implementation* | *Administration comments (June 2012)* |
|---|---|---|---|---|
| | | | | Secretary-General of the Department of Management and the Executive Office of the Secretary-General |
| The Board recommends that senior management in the Administration put appropriate controls in place so that they can clearly demonstrate to the General Assembly that assurance can be placed in the reported timetable, including actual and anticipated costs for the enterprise resource planning project | Department of Management-Office of the Under-Secretary-General | Yes | Dec. 12 | The Umoja Director, together with the project owner (senior responsible owner) and the steering committee, will ensure that appropriate controls are in place to clearly demonstrate to the General Assembly that assurance can be placed in the reported timetable, and actual and anticipated costs for the enterprise resource planning project |
| The Board further recommends that the project team and budget owners work together to: (a) develop a robust estimate of all associated costs of the project; (b) clarify the allocation of associated costs as a matter of urgency to give budget owners as much time as possible to make preparations to meet these costs; and (c) develop proposals for how these associated costs will be met | Umoja | Yes | Oct. 12 | A working group, under the guidance of the project owner, chaired by the Assistant Secretary-General/Controller and with representatives from the Secretariat, including the Department of Field Support, offices away from Headquarters, Headquarters and the field missions is to be convened in July 2012 to establish clear guidance on the application of indirect costs associated with the Umoja project, bearing in mind the challenges to the Umoja deployment timeline and the need for timely budget planning and preparation across departments. In particular the working group will: (a) review and validate all costs not included in the Umoja budget but which are associated with its implementation (e.g. data cleansing and conversion); (b) provide guidance in this regard for the preparation of the programme budget for 2014-2015; and (c) identify opportunities to redesign the Organization's service delivery model in order to redirect existing resources to |

| Recommendation | Responsible office | Agreed with (yes/no) | Target date for implementation | Administration comments (June 2012) |
|---|---|---|---|---|
| | | | | perform the tasks associated with indirect costs. The Working Group will formulate the new estimates for indirect costs bearing in mind the following two principles: to keep costs at a minimum; and to ensure that efforts are made by every concerned department to absorb these costs from within existing resources |
| The Board recommends that the chair of the steering committee and the project director: (a) assign clear ownership of project risks to those with appropriate authority to address each risk; (b) for each risk, assess and document the likelihood of the risk arising and its quantified impact; and (c) establish regular risk monitoring as part of the ongoing budgeting and resourcing arrangements | Umoja<br>Department of Management-Office of the Under-Secretary-General | Yes | Sept. 12 | As identified in the draft fourth progress report on Umoja, significant progress has been made in the identification and management of project issues and risks. Concerns noted by the Board will be incorporated into the Umoja risk register and/or monitoring mechanism as applicable |
| The Board recommends that the Administration: (a) appoint a single senior responsible owner with the requisite authority, across the departments and entities in which the enterprise resource planning system is to be implemented, to drive the project forward; (b) clearly communicate the identity and authority of the senior responsible owner to all staff; and (c) finalize the planned revisions to the project's governance structure at the earliest opportunity, including assigning clear accountabilities for the completion of all major tasks | Department of Management-Office of the Under-Secretary-General | Yes | N/A | This recommendation has been implemented by designating the Under-Secretary-General of the Department of Management as the project owner of Umoja. The Department of Management, in accordance with the Secretary-General's bulletin ST/SGB/2010/9, "formulates policies and procedures and provides strategic guidance, direction and support to all entities of the Secretariat, including the offices away from Headquarters and the regional commissions, in three broad management areas, namely, finance and budget, human resources, and physical resources (support operations and services)". As the Board states in paragraph 3 of the present report |

| *Recommendation* | *Responsible office* | *Agreed with (yes/no)* | *Target date for implementation* | *Administration comments (June 2012)* |
|---|---|---|---|---|
| | | | | "Umoja, spans most of the Organization's administrative and support functions across five areas: finance; supply chain; human resources; central support services; and programme and project management", and all key areas fall within the purview of the Department of Management. In line with the Secretary-General's bulletin, the Department is headed by an Under-Secretary-General who "is responsible for the formulation of the Secretariat's management policies and has overall responsibility for the management of the financial, human and physical resources of the Secretariat, in accordance with the Secretary-General's delegation of authority". It is also the Under-Secretary-General who "represents or ensures the representation of the Secretary-General on management matters in relation to governing bodies, funds, programmes and agencies of the United Nations common system and administrative advisory bodies. He or she also monitors emerging management issues throughout the Secretariat by interacting with executive committees". Having Umoja defined as "a continuous organizational transformation, enabling high-quality, cost-effective service delivery for evolving United Nations mandates aimed at maximizing the productivity of the United Nations human, financial and material resources", there is no better project owner than the Under-Secretary-General of the Department of Management. Finally, it should be added that the project owner |

| *Recommendation* | *Responsible office* | *Agree ' with (yes/no)* | *Target date for implementation* | *Administration comments (June 2012)* |
|---|---|---|---|---|
| | | | | has received the full support of Member States to assume these responsibilities (please refer to General Assembly resolution 66/246 that transferred the Umoja project to the Department of Management) and also the full support of the Secretary-General and of the Umoja's steering committee |

*Note*: The information contained in the present annex has not been subject to audit or verification by the Board. The Board will follow up on further progress and the impact of the actions taken by the Administration during its next audit.